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REGIONAL

PLO Credibility Tested on Lebanese Battleground

44000389 Jerusalem *THE JERUSALEM POST*
in English 10 Mar 89 p 6

[Article by David Rudge]

[Text] The credibility of the PLO as a potential negotiating partner in any future peace negotiations and that of its chairman Yasir 'Arafat, as well as the genuineness of his expressed desire to achieve a "just and lasting peace" with Israel, are being put to the test on the Lebanese battleground.

Actions initiated in Palestinian refugee camps and terrorist bases in that blood-soaked and divided land could well determine the fate of the PLO's embryonic diplomatic offensive—more so, even, than the intifada in the territories.

Recent attempts by PLO-affiliated gangs to infiltrate Israel's northern border from south Lebanon—with the apparent aim of attacking civilian rather than military targets—have prompted warnings from American leaders who have publicly questioned Yasir 'Arafat's commitment to renounce terrorism.

The State Department and President George Bush have so far refrained from ending the tentative U.S.-PLO dialogue after concluding that the abortive raids did not constitute acts of terror—primarily because the gunmen were stopped by IDF [Israel Defense Force] and SLA [South Lebanese Army] troops before they could reach their objectives and carry out their murderous intentions.

Nevertheless any further attacks emanating from Lebanon could well make the American administration change its mind and could shatter the moderate image the PLO has carefully constructed for itself over the past few months.

Yet, in spite of the U.S. warnings and the inherent dangers to Yasir 'Arafat's peace offensive, there seems little likelihood of a cessation or a scaling-down of Palestinian terror activities from across the Lebanese border.

On the contrary, veteran observers here and in Lebanon believe there will be an escalation of hostilities with the various Palestinian factions trying to outdo each other in the hope of bolstering their prestige and demonstrating their independence.

The latest infiltration attempt on Thursday last week by members of Nayif Hawatimah's Democratic Front for the Liberation of Palestine (DFLP) was the fifth by a PLO-affiliated group since Yasir 'Arafat renounced terrorism at the Geneva conference—a step that opened the way for the diplomatic dialogue with the United States.

It was the second DFLP infiltration attempt within a week. The previous Thursday, three DFLP gunmen were intercepted inside the security zone and killed by SLA troops. The other abortive attacks were perpetrated by members of Tal'at Ya'qub's Palestine Liberation Front (PLF) near Kibbutz Manara on 28 December, and the following month by a combined gang from the PLF and George Habash's Popular Front for the Liberation of Palestine (PFLP).

The three splinter factions, which have bases in Palestinian camps near Sidon and Tyre, are ostensibly part of the PLO, although they maintain links with the Syrians. Their leaders attended last November's Palestine National Council meeting in Algiers.

The faction chiefs have made it abundantly clear in recent statements that they intend to intensify attempts to attack Israel from across the Lebanese border.

Meanwhile, Syrian-backed Palestinian factions, notably Ahmad Jibril's Popular Front for the Liberation of Palestine-General Command (PFLP-GC), al-Sa'iqah, Sa'id Musa's breakaway Fatah group and Libyan-supported Abu Nidal's Fatah Revolutionary Council, are also reported to be gearing themselves for fresh offensives.

According to Middle East expert Dr Clinton Bailey of Tel Aviv University, the rejectionists are unhappy with Yasir 'Arafat's political successes.

In contrast to the rejectionists and the PLO splinter groups, Yasir 'Arafat's own Fatah organization has been keeping a low profile in Lebanon and has not attempted to launch any attacks against Israel since mid-November last year.

Nevertheless, Yasir 'Arafat, whose hold on the fractious PLO appears more tenuous than ever, has withstood U.S. pressure to denounce the terror attacks and infiltration attempts. Instead, he has reverted back to verbal gymnastics, apparently in an effort to appease the Americans and his Palestinian opponents.

Israeli and Lebanese observers concur in the view that Yasir 'Arafat could not stop the infiltration attempts even if he so desired, and there is nothing to indicate that he does.

"Yasir 'Arafat simply cannot tell all the cadres that their fighting job is over, or the refugees that they won't ever be able to return to their homes," declared Bailey. "If they have nothing to fight for, there is no longer any reason for them to be in the PLO. All this talk about the PLO accepting a state in the West Bank (alongside Israel) is misleading and is merely designed to cover the real intentions (liberating all of Palestine)," Bailey asserted.

"I don't think he's really in any hurry [to achieve peace]. He is prepared to bide his time until the strategic balance tips in favour of the Arabs."

"Yasir 'Arafat realizes that the raids from Lebanon have already attained a certain momentum and he thinks this might be useful in his dealings with the Americans. Similarly, Yasir 'Arafat cannot afford to give up the armed struggle and rely entirely on diplomatic efforts. In this way he is not burning his bridges," said Bailey.

Observers in Lebanon take this theory a step further, saying that the recent infiltration attempts by the PLO-aligned groups may well have had the tacit blessing of the PLO chairman. A Lebanese source surmised that the raids are part of a strategy to press the Americans to upgrade negotiations with the PLO, while maintaining pressure on Israel.

"Yasir 'Arafat has claimed on more than one occasion that Israel has, through intermediaries, approached the PLO with calls for a truce in south Lebanon. If this could be proven it would give a tremendous boost to the prestige of Yasir 'Arafat and the PLO," said a veteran Lebanese observer.

Meanwhile, the PLO's diplomatic activities have not been confined to the international forum. Arafat's organization has also made considerable political headway in the Lebanese arena as evidenced by the agreement reached last December between the PLO and its one-time avowed enemy—the Shi'ite Amal movement.

The accord allowed Amal to withdraw militiamen, who had been guarding Palestinian refugee camps near Sidon and Tyre to prevent a Palestinian renaissance in south Lebanon, and throw them into the battle for control of the south with Amal's Shi'ite rival, the Iranian-backed Hizballah (party of God).

The reinforcements enabled Amal, in heavy fighting that cost scores of lives, to recapture villages from their rivals and, eventually, expel Hizballah supporters from nearly all their remaining strongholds, including Jba' village in south Lebanon's so-called Apple Province. This left the Hizballah with only the village of al-Luwayzah and some strategic hilltop positions at Jabal Shafi, both in the eastern sector, in its hands.

Subsequently, however, a ceasefire agreement brokered by Syria and Iran was imposed on Amal. The agreement gives the secular Amal movement full control of security affairs in the south, but allows for Hizballah supporters to return to their villages and former positions. The accord also stipulates that the Hizballah be allowed to resume political and religious activities and "resistance operations"—a euphemism for launching attacks against SLA and IDF targets inside the security zone.

Amal supporters, despite pressure from Syria, have shown a marked reluctance to implement the agreement. There have been widespread demonstrations in many villages when Hizballah activists have tried to return. The Hizballah, meanwhile, has accused Amal of reneging on the agreement.

The apparent preoccupation of the Shi'ites with their internecine strife did not, however, mean there would be a let-up in attacks against the security zone. "Even more so now, each side is out to prove that it is bigger and stronger than the other and this is likely to lead to more attacks inside the zone," the Lebanese observer noted.

In the meantime, the PLO is reportedly utilizing its agreement with Amal to draft fighters, dressed in civilian clothes, at al-Rashidiyah and smaller refugee camps near Tyre—in contravention of the agreement. The reports say the PLO men are receiving arms and training when they arrive in the camps.

If true, the reports would indicate that the PLO is extending its armed infrastructure southwards from the Sidon area where the organization has firmly re-established itself. Such a step could give Israel cause for concern, especially if Yasir 'Arafat decides to unleash Fatah. It is also an unwelcome move for the local Shi'ite population (predominantly Amal loyalists) who well remember the PLO's "reign of terror" in the south prior to the 1982 Lebanon War.

The Lebanese sources stressed that Amal did not want the Palestinians on their territory in the south and it was highly unlikely, therefore, that the relatively moderate Shi'ite movement would actively assist Palestinian terrorists in launching attacks and infiltration raids against Israel.

Signs of Growth in Gulf Economies Reviewed

44000386a Muscat *TIMES OF OMAN* in English
9 Feb 89 p 22

[Text] The economies of Gulf countries are showing signs of the sustainable growth patterns, according to a top economist in Bahrain.

This indicated that the consolidation processes initiated four years ago had started to bear fruit, said Henry T. 'Azzam, Chief Economist with the Gulf International Bank.

He said while the region's external sectors were still hampered by adverse developments in the world oil market, the non-oil sectors were moving ahead.

The adjustment efforts of various Gulf governments aimed at narrowing fiscal deficits through rationalizing public expenditures, mobilizing domestic resources and encouraging a larger private sector participation had

helped maintain the upward trend in domestic activities in 1988, Mr 'Azzam said in GIB [Gulf International Bank]'s Gulf Economic and Financial report for December.

The ceasefire between Iran and Iraq and the recent OPEC agreement aimed at reducing excess supply conditions in the world oil market had given a boost to the overall level of confidence in the region. These developments had fostered as well as the recent uptrend in domestic activities.

Indicators pointing in this direction included higher stock prices in various Gulf countries, the gradual recovery of real estate markets, the noticeable improvement in commerce and retail sales activities and higher commercial bank profits, the report said.

Conservation

It said the settlement of most non-performing bank loans and the pick-up in domestic demand had contributed to a general improvement in banking activities. Gulf commercial banks continued their gradual recovery from the lows of the past three years with a renewed surge in earnings recorded in the first half of 1988.

Conservatism, cost cutting and strong focus on off-balance sheet operations had been the major themes of Gulf banking during 1988.

Lending opportunities, even though still generally suppressed, recorded some improvement in the year before.

The recovery in domestic demand was achieved within a framework of monetary and price stability. Money supply which has been declining since 1984 in most Gulf countries recorded positive growth in 1987-1988, albeit at rates commensurate with the fledgling economic activities. Inflation as measured by the consumer price indices remained subdued in 1988, reflecting continued stability in such domestic factors as wages, rents and government subsidies on basic goods and services.

The drop in average oil prices by around 22 percent in 1988 was the major negative factor hindering overall economic growth in the region. The contribution of the oil sectors to the GDP [Gross Domestic Product] of the respective Gulf countries is still quite sizeable.

However, the decline in oil price did not have the same impact on all the Gulf countries with the UAE [United Arab Emirates], Kuwait and Saudi Arabia adjusting upwards their production levels, offsetting to a large extent the drop in prices.

All in all, 1988 may not have been a bad year. A gradual resumption of normal business activities has been recorded, specially in the fourth quarter, and the region is now positioned to benefit from positive developments in the oil market and an expected surge in reconstruction

activities in Iran and Iraq. Favorable prospects for resumption of growth, therefore, exist for this year, the report added.

Plans for Gulf Power Grid Move Forward

44000363 *Dubayy KHALEEJ TIMES* in English
11 Feb 89 p 4

[Text] Manama—The concept of a single power grid for the AGCC [Arab Gulf Cooperation Council] states moved a stage closer to reality a few days ago when it was announced here that a Canadian consulting firm was awarded a \$1.26 million contract to undertake a feasibility study on the first phase.

The study, to be completed over 18 months, will provide technical details and capital costs for the estimated \$1.04 billion first phase of the grid which will link the Northern Gulf region or the countries of Kuwait, the eastern province of Saudi Arabia, Bahrain and Qatar.

Stage two will link areas in the South Gulf, Oman and the UAE [United Arab Emirates]. In the third and final stage, the two regions will be linked together in an overall integration. The scheme is expected to reduce each country's energy costs, investment in reserve power and also provide an assured supply to meet contingencies.

The idea of an integrated power grid to benefit the region economically and boost cooperation in the field of electric generation and supply was mooted in 1984. At the time a working team was formed comprising all electricity ministries and organisation in the six AGCC states to examine the options available.

The team estimated the overall cost of the project at around \$1.77 billion. It said the most formidable technical hurdle would be the conversion of power lines from low-frequency current to high-frequency and vice versa. While Bahrain, Qatar, Oman and Kuwait use the first system, Saudi Arabia uses the second.

The main advantages of the proposed project will be the reduction of reserves by 3,600 megawatts by the year 2005, which would save about 2 billion in power costs each year. On operational levels, the scheme would save about \$44 million in 1995 and this figure would rise to \$59 million once the project is completed by 1005. In addition, savings in maintaining the power generation stations in the six states would be \$21 million annually at the early stages rising to \$58 million in 2005.

Contract for Study on AGCC Power Grid Awarded
44000358c *Muscat TIMES OF OMAN* in English
16 Feb 89 p 11

[Text] Power officials from six Gulf Arab states have awarded a \$1.26 million contract to the Montreal-based firm Hydro-Quebec International for a detailed study on plans to link their electricity networks.

Jamil al-'Alawi, Bahrain's Under-Secretary for Power and Water Affairs, said the power grid committee for the AGCC [Arab Gulf Cooperation Council] had evaluated preliminary studies from three international consultants shortlisted for the project.

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Working Team

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BAHRAIN

Peace Prospects' Effect on GCC Discussed

44000383b Manama AL-HAYAT AL-TIJARIYAH
in English Jan 89 pp 6, 7

[Text] Prospects of lasting peace in the Northern Gulf would act as a shot in the arm for the economies of the Arab Gulf region, promoting stability and fresh avenues for growth and development, according to a leading Economist of the island.

In a detailed analysis called, 'The Gulf Region: Facing Up to the Post War Challenge', Dr Henry 'Azzam, Vice

President and Head of the Economic Unit of the Gulf International Bank stated that peace in the region will not only remove the stigma of uncertainty but also change the entire outlook of the Gulf region. Based on the available indications, he has predicted bright prospects for shipping, consulting, aviation, training, insurance, trade and banking sectors.

"Industries in the region that have been operating below full capacity may benefit from the additional demand generated from Iran and Iraq and re-export trade will witness a major boost. Those industries that are essentially sensitive to transportation costs and quick deliveries should prove very competitive. The services that are likely to be called for are those of the trading firms, consulting houses and commercial banks who did not back out from the two countries during the war years.

Insurance, aviation and shipping will also pick up," he said and added that although precise estimates of reconstruction costs may not be available, the two countries would together account for at least \$10 billion.

Analyzing the structural trends that have been experienced in Iraq, he said that the Real Gross Domestic Product Growth (GDP), placed at 20.5 percent in 1980 (prior to the start of the war had steadily declined to reach -10 percent (the worst being 1981 at -18.5 percent), while in terms of value, the figure, which stood at \$53,383 million had dropped to \$48,003 million during the same period. Inflation relating to consumer prices has been of a high order, estimated at 25 percent last year. The country's foreign reserves dropped dramatically to reach \$3,846 million in 1984 from \$37,661 in 1980 and the current account position is believed to have worsened as at the end of last year: O\$100 million from \$11,399 million in 1980.

"The Iraqi government maintains an optimistic view of the economy based on four main factors namely higher oil revenues, the success of its Economic Reform Programme leading to larger private sector participation, attracting Arab investors and funds in local industrial ventures and its ability to attract project related credit facilities. While an amount of \$11.5 billion has been allotted for the investment programme in 1988/89, oil, industry and agricultural sectors will be treated on priority," Dr 'Azzam stated and added that reconstruction of the infrastructural base in al-Basrah, two new power stations, a central oil refinery, a fifth fertilizer plant and a series of water supply and sewerage projects as important.

Stating that Iran's economy is dependant on oil for its income (about 88 percent of export earnings), he said that the country's real GDP has been steadily declining since the onset of collapse in oil prices in 1984. Revenues from this sector which had peaked to \$19.2 billion in 1982 dropped to \$6.6 billion although a partial recovery was experienced last year (\$8.6 billion). A conservative

approach in respect of oil is expected to be maintained while negligence and mismanagement of fields may have inflicted irreparable damages—billions of reserves lost permanently—he said.

"Forecasts for the Iranian economy over the next five years shows an average growth of real GDP at about 1 percent per annum, well below the growth of population at 3.3 percent. Critical limitations to import liberalization stemming from the stagnation of oil export revenues will remain despite internal pressures to ease trade restrictions. Nevertheless there will be some increase in foreign exchange allocations to industry, especially those with low import requirements and high domestic value added, supporting their modest recovery. Agriculture will show a slow growth (2 to 3 percent), pressure on current account balances will ease (by 1990 to reach—\$1,600 million from the current level of about—\$2,500, the level of foreign debt will rise marginally (\$4 billion), while identifiable foreign assets will remain large enough to cover its liabilities," he said.

How will these developments and trends influence the economies of the GCC [Gulf Cooperation Council]? Dr 'Azzam is of the view that apart from the financial institutions and regional funds that may be called upon to assist in the process of rebuilding (the Arab Fund for Economic and Social Development based in Kuwait has extended about \$90 million to Iraq), the construction sector can expect to reap good gains. According to him, the experience and expertise gathered by the GCC contractors during the past few years will enable them to compete favorably in the reconstruction projects in Iran and Iraq. Geographical proximity and ability to mobilize the requisite financial resources will be their added advantages, he said.

"The huge reconstruction requirements offer a reasonable opportunity for Gulf manufacturing industries. The construction material industry, both metal and non-metal, which is suffering from excess capacity in some areas should offer their products at competitive prices. Cement for instance, currently selling at \$30 per ton, coupled with lower transportation costs and quick deliveries should prove competitive," he said and added that benefits will accrue to traders who have established links with the two countries. A substantial percentage of re-exports could flow to Iran and Iraq from Bahrain, the United Arab Emirates and Kuwait.

Industrial Cooperation in GCC Stressed

44000383a Manama *AL-HAYAT AL-TIJARIYAH*
in English Jan 89 p 6

[Text] The progress registered by the Gulf Cooperation Council [GCC] in evolving an integrated and coordinated approach for the six member states in the field of industry has been significant, Abdulla Bishara, Secretary General has said.

"It is gratifying to note that within a short span of seven years, the GCC has been able to contribute significantly to enhance the spirit of cooperation and coordination among the six member States in the fields of industry, trade, commerce, education and security. Although several problems had to be countered in the onward march towards its pronounced objectives, the role of the body as a unifying force has been acknowledged and appreciated. While the tasks that remain to be tackled are undoubtedly enormous, the performance recorded so far has given us the confidence to expect greater victory in future," he said.

The Gulf economy had reached a stage which warranted a common approach to planning on all areas of activities, he said.

"Several factors must be considered in their proper perspective while examining the programmes for economic and industrial development. The countries of the GCC are confronted with issues related to shortage of manpower, size of the market, management of scarce resources and other matters that are generally attendant upon a growing economy. The measures that are envisaged perceive the GCC as a single economic entity and utilize the available human, material and financial resources to accrue mutual benefits. While some measures contained in the Unified Economic Agreement have been adopted, many others are under discussion," he said.

Describing a proposal initiated some time ago to unify the currency and establish a 'Gulf Unit' as 'sensitive', he said that the issue involved a series of complicated subjects. According to him, the proposal was not as much concerned with 'unification of currency' as it attempted to establish a system similar to the 'Special Drawing Rights' (SDR) formula. The feasibility of such a scheme is being considered by the Ministers of Finance and National Economy as a measure designed to stabilize the exchange rates, he said.

On talks being held between Iran and Iraq, he said, "The essence of the negotiations is pragmatism. If the process of heralding peace in the area involved flexibility, then such an approach should be welcome. The idea is not to pre-empt any moves but to assist in seeking a comprehensive solution. The GCC operates on 'strategy' and not on 'adhocism'. Apart from strengthening the efforts of the Secretary General (of the UN) international opinions should be mobilized to surmount deadlocks."

New Cooperative Societies Law Ready

44000383e Manama *AL-HAYAT AL-TIJARIYAH*
in English Jan 89 p 13

[Text] The Government of Bahrain is set to promulgate a new statute to govern the activities of the cooperative sector, according to official sources.

Called the 'Cooperative Societies Law', the statute would be enforced soon following detailed discussions between the officials of the Ministries of Labor and Social Affairs and Legal Affairs. It is understood that the law incorporates several provisions taking into account the evolving requirements of the community and the need to permit the cooperative societies to play a greater role in serving the people. The views of the representatives of the societies that are in operation, problems encountered in maintaining a balance between the service and profitability aspects and the suggestions obtained through volunteers are also stated to have been held in perspective while drafting the law.

Government sources stated that the law is a culmination of the efforts exercised in the formation of a Charter for the Cooperative Societies and the pronounced need to expand their activities. "The proposed statute reflects the government's concern for establishing a strong cooperatives sector and providing facilities and incentives for their smooth operation. The Ministry is also keen to support moves for institution of societies in various parts of the island to serve the residents as 'fair price shops' offering food items, household goods and other items of common interest and demand," the publication stated.

In this connection, the promulgation of a law to act as a guiding factor has been hailed as an important milestone in the history of cooperative movement. It is understood that the law will not only provide a broad framework for the functioning of the societies but also set standards for improving the quality of their performance. "The proposed law accounts for the deficiencies and shortcomings experienced by the cooperatives and specifies in unambiguous terms their role in the society."

Importance of Private Sector Emphasized *44000383c Manama AL-HAYAT AL-TIJARIYAH in English Jan 89 p 10*

[Text] Habib Ahmad Qasim, Minister of Commerce and Agriculture has called upon the private sector to play a lead role in fostering economic and industrial development in the region thereby effectively reducing the 'burden' of the governments in initiating and implementing major projects and programmes.

Speaking at the inaugural session of a seminar at the Gulf Hotel as a part of the GCC [Gulf Cooperation Council] trade fair held last month, he said that the economies of the Gulf had reached a stage wherein further progress would depend upon the ability and willingness of entrepreneurs and investors of the private sectors to take the initiative and build on the infrastructure available. "It is evident that a large scope exists for the private sector in each of the states of the Gulf Cooperation Council to play a larger role by contributing its resources. Most

private companies have traditionally been trading enterprises and with the incentives and opportunities available, prospects are bright for improving their own profitability and fostering in the process the industrial plans of the governments of the region. While the time is ripe for furthering the programme of diversification, a decisive move must also come from the private sectors of the region," he said.

Stating that the substantial financial resources maintained or invested overseas by individual and corporate entities of the private sector could be put to good use here, he exhorted them to effect a meaningful transfer of wealth to assist in the programmes and policies of the government. Such funds can be put to productive use in their home countries, he said.

"Public spending has continuously influenced the rate of growth and quality of performance of the economies of the Gulf and with the adverse effects of global and regional recession, declining oil prices and other factors, governments have been obliged to prune their budgets. The time is ripe to consider establishment of manufacturing units and industries (that have been traditionally in the government hands) within the private sector," he said.

Mr Qasim has been a strong advocate of privatization of some of the major public sector projects including public utility services. At a major seminar on foreign trade held recently, he had indicated that discussions were currently being held between ministries and advisors to the government on the possibility of implementing such a move.

Meanwhile, Dr Henry 'Azzam, Vice President and Head of the Economics Unit of the Bahrain based Gulf International Bank has drawn the attention of the authorities towards the issues concerning the private sector. "Strengthening the role of the Gulf private sector requires creation of proper mechanisms and investment instruments and adoption of adequate measures that would help eliminate some of the constraints impeding expansion. Confidence must be built in the existing free market system and the stability of the Gulf currencies in order to ensure the return of the Gulf capital invested abroad," he said in a major analysis on the subject of accordinng a larger role for the private sector.

Based on available statistics he has estimated that while the revenues earned from oil since 1975 was about \$1,000 billion and account for investments made in infrastructure and other projects and the income accruing to the private sector he has said that about \$150 billion is believed to have been held by the private sector in various forms of assets outside the region. The International Monetary Fund, in its recent report, had, valued the net foreign assets of Gulf commercial banks as at the

end of 1986 at \$48 billion with Saudi Arabia accounting for almost half the share (\$23.66 billion), followed by Kuwait (\$7.83 billion), Qatar (\$2.10 billion) and Bahrain (\$1.62 billion).

The Ministry of Development and Industry in Bahrain has constituted an Industrial Consultancy Unit to provide guidance and support to businessmen and potential investors. A package of proposals and incentives is also offered to foreign investors and industrialists.

Unified Attestation System Planned

44000373a Manama GULF DAILY NEWS in English
16 Feb 89 p 13

[Text] Manama: The GCC [Gulf Cooperation Council] Secretariat is currently considering proposals for a unified system for the attestation of Certificates of Origin.

A spokesman for the Directorate of Customs and Ports in Bahrain said that at present each member state had its own system for legalising these documents, which are issued by the manufacturer, giving the country of origin of the component parts or manufactured goods.

He said that in Bahrain the Directorate of Customs and Ports was the responsible authority for products which were manufactured locally for export to other GCC countries, and for which a certificate is required to exempt the exporter from importation tax in the destination country.

Where goods are imported and then re-exported the manufacturer's Certificate of Origin and the Bahrain trader's invoice are stamped by both the Chamber of Commerce and the Directorate of Customs and Ports.

The spokesman said that in most other GCC states, although it was always a Government body that was responsible for stamping the certificates, this could vary from the Ministry of Commerce in one country to the Ministry of Industry in another.

He said the proposals under consideration were in line with the GCC policy to unify legal formalities throughout the GCC.

Rise In Industrial Development Reported

44000373f Manama GULF DAILY NEWS in English
1 Mar 89 p 7

[Article by Colin Young]

[Text] Industrial development in Bahrain is growing, bringing hopes of more jobs.

Development Ministry chiefs are encouraged by a 23 percent rise in the number of licences issued for new industrial projects.

A total of 92 new licences were granted by the ministry last year, compared with 75 in 1987, said Rashid al-Zubayb, director of industrial protection and registration.

They have been issued to companies planning to set up factories or those wishing to carry out feasibility studies into manufacturing operations.

The projects include plans by Balexco to make dies for its aluminium extrusion process, with a joint venture partner.

Others involve protective coatings for steel, medical bandages, drainage, pumps, thermal blocks and car spare parts, said Mr al-Zubayb.

"The Government's policy is to encourage new industry and we are very pleased by the increase in new licences," said Mr al-Zubayb.

"It shows more people are realising the importance of investing in industry, which helps the national economy and creates jobs."

Meanwhile, the Development Ministry is working closely with the Commerce Ministry to make sure Bahrain firms renew their industrial registration, as well as their commercial registration.

"We are asking that companies renewing their commercial registration should come to us first," said Mr al-Zubayb.

"The idea is to enable us to get up-to-date information on the number of employees, production levels and so on.

"This helps us to make the right decisions on new industrial licence applications and avoid duplication of projects," he said.

Stock Market Advantages Listed

44000373c Manama GULF DAILY NEWS in English
21 Feb 89 p 1

[Text] Bahrain's "ambitious plans" to launch its own stock market could further the island's importance as a major international financial centre, British Trade and Industry Minister Alan Clark said last night.

He said Bahrain's position in the time zone between East and West could be a big advantage in helping the new stock exchange to expand.

Mr Clark said after talks with Commerce and Agriculture Minister Habib Qasim that British expertise could be used to develop the new stock exchange and Bahrain's insurance sector.

The two Ministers also discussed how Britain could help the island expand its economic base, by setting up new light industries, such as food processing.

Approved

The Commerce Ministry has approved rules governing the stock exchange's operation and it is expected to be up and running by next month. Original plans were for a launch last October.

Mr Clark was earlier received by HH the Amir, Shaykh 'Isa Ibn-Salman Al Khalifa and HE the Prime Minister, Shaykh Al Khalifah Ibn-Salman Al Khalifa.

Mr Qasim said after his meeting with Mr Clark that they reviewed commercial and economic relations including exporting aluminium, petrochemical and oil products from Bahrain to the British market.

They also looked into Britain offering technical aid in stock exchange, commercial and fisheries fields, as well expertise in insurance, specifications and agricultural affairs.

Economic relations between the GCC [Gulf Cooperation Council] and the European Economic Community also came under review.

Mr Qasim described the meeting, which was attended by British ambassador John Shepherd and various officials, as "successful and fruitful."

Causeway Trade Procedure Being Streamlined

44000383d Manama AL-HAYAT AL-TIJARIYAH
in English Jan 89 p 11

[Text] In response to the representations made by importers, exporters and traders, the Directorate of Customs is reported to be considering a number of amendments to the existing procedure followed with regard to the goods transported through the King Fahad Causeway.

Although the opening of the Causeway in November 1986 provided an easy surface access for transhipment of goods thereby increasing the re-export business of the island, the authorities were aware that certain clearance formalities needed reappraisal to facilitate better and easier flow of goods and traffic. According to a spokesman for the Directorate, among the steps envisaged include permission to importers to unload goods in their own warehouses in the first instance and comply with the clearance formalities later. "The existing procedure calls for clearance formalities to be followed at the outset, after the successful completion of which goods will be permitted for movement. In view of the perishable nature of some of these items, there is an apparent need to streamline the system and ensure that traders do not sustain losses on this account," he said.

It is understood that the procedure will oblige traders to lodge a specified sum as deposit in proportion to the value of the consignment to be adjusted at the time of final clearance. Although this method may in effect increase the workload of the directorate, the authorities are believed to have decided on its implementation in the larger interest of trade and commerce. It is also learnt that additional staff may be recruited for the purpose, while the Directorate of Public Security is expected to provide police officials to escort the goods to their destination.

"It must however, be clarified that the procedure will not apply to goods imported from other countries of the Gulf Cooperation Council which are allowed anyway as duty free items upon presentation of the relevant certificate of origin. This method will initially be confined to goods transported by trucks. Transhipment through other sources will also be considered at a later stage since this would involve coordination with other ministries and departments of the government," the spokesman said.

Meanwhile, statistics made available by the directorate indicated the growing popularity of the causeway for trade purposes. Total imports, which were about 1,000 tons in February 1987, moved up by 11,416 tons to reach 12,415 tons in December. Exports moved up from 1,651 tons to 5,662 tons during the same period. Year end figures showed a total amount of 97,594 tons and 49,908 tons respectively in the import and export sectors.

"The causeway is being perceived as an effective channel for movement of goods and its 24 hour operation has encouraged an increasing number of traders for shipment of machinery, materials and products. According to current indications, 75 percent of the country's exports to Saudi Arabia were moved through the surface link," officials stated.

During the period covering up to September last year, the total value of goods exported from Saudi Arabia through the causeway rose from SR 45 million to reach SR 80 million. Bahrain's exports which stood at SR 80 million in January 1987 moved up to SR 105 million by September.

According to officials, the causeway has also promoted trade with other countries of the Gulf Cooperation Council. While about 3.5 percent of the total imports of Bahrain to these states (other than Saudi Arabia) were effected through the bridge while imports accounted for about 2.3 percent.

Rise in Causeway Freight Traffic Reported

44000373b Manama GULF DAILY NEWS in English
16 Feb 89 p 1

[Text] Goods moving across the King Fahd Causeway rose by more than 50 percent last year to 541,000 tonnes.

Two-way freight traffic over the causeway was up from 359,000 tonnes in 1987, according to new figures from the Customs and Ports Directorate.

Imports totalled 365,000 tonnes, while exports were 176,000 tonnes.

Meanwhile, cargo handled at Mina 'Salman in 1988 also rose slightly to 1.46 million tonnes, compared with 1.44 million tonnes the previous year.

The total included imports of 1.21 million tonnes and exports of 231,000 tonnes.

Container traffic accounted for 922,000 tonnes, of which 734,000 tonnes were imports and 168,000 tonnes exports, with 20,000 tonnes of trans-shipment cargo.

Shipments to and from the Far East represented 39 percent of port trade last year followed by Europe (28 percent), the U.S. (11.6 percent) and the Gulf region (11.4 percent).

Port officials reported an upsurge in business since last August's Gulf War ceasefire, raising hopes of a boost in 1989 cargo figures.

Scheme To Reclaim Land for Farming Reported as Success

44000373e Manama GULF DAILY NEWS in English
1 Mar 89 p 4

[Text] Bahrain's scheme to reclaim land from the sea for agriculture has been highly successful, according to an expert.

Initial results of trial runs had shown that Bahrain could boost its declining agriculture, said Dr P.K. Pillai, managing editor of ARAB WORLD AGRIBUSINESS magazine.

He said that in the first stage, 350 hectares had been reclaimed and cultivation was in progress.

He said reclamation of land was part of an integrated approach Bahrain had adopted for increasing crop production.

"Treating sewage effluent for use as irrigation water and adoption of modern irrigation techniques are the other aspects of this integrated approach," said Dr Pillai.

He said of Bahrain's total land area of 60,000 hectares, only 6,000 hectares was cultivable land.

Cultivation

"Of this, only about 3,500 hectares is being cultivated. This means that cultivation can be doubled in Bahrain—and hence the importance of water," he said.

He said the Tubli sewage treatment plant was part of the Government plan to reclaim land for agriculture.

He said trial runs of irrigation through recycled water had been successful for crop and fodder production.

"At present, treated effluent is being used in Government farms and for landscaping, to a certain extent, by the Municipality," said Dr Pillai.

"In the second stage of the reclamation plan, treated effluent will be supplied to private farms also," he said.

The three reservoirs for collection and distribution of recycled water, at Buhayr, Hawrat 'Ali and Adhari, each had a storage capacity of 4,000 cubic metres, he said.

"Even if sewage had to be disposed into the sea, it would have to be treated to a certain level. By treating it some more, it can be put to constructive use," he said. He said treated effluent had essential nutrients required for plant growth.

Project for Polypropylene Urged for Implementation

44000373d Manama GULF DAILY NEWS in English
22 Feb 89 p 1

[Article by Colin Young]

[Text] Bahrain has been urged to press ahead with plans for a \$200 million (BD75 million) plastics plant.

Experts at a major chemical industry seminar in Manama yesterday said the time was right for the island to go ahead with the project to produce polypropylene.

Dr Naji 'Atallah, projects director of the Qatar-based Gulf Organisation for Industrial Consulting (GOIC), said: "This scheme should be implemented as soon as possible.

"It is the perfect time, because polypropylene is a growing market and the product is in very large demand."

U.S. group Bechtel is carrying out a feasibility study for the Bahrain Government on a plant which would produce between 100,000 tonnes and 200,000 tonnes a year.

Banagas would supply propane to make the thermoplastic material, used in a wide range of products including pipes, ropes, carpets, packaging and injection mouldings.

A review of the Bechtel study was carried out by Britain's Chem Systems International. The company organised the two-day Middle East Energy and Chemicals Planning seminar, which opened at the Regency Intercontinental Hotel yesterday.

Chem Systems director David Oxley said: "it is a very logical plant to build in Bahrain, using the island's indigenous resources.

"Bahrain should form a joint venture with a partner, which could provide the technology and sell the product through its existing marketing network. "Polypropylene production is a clean process, which will not pollute the atmosphere."

In a paper to the seminar, Mr Oxley said other Gulf countries, including Saudi Arabia and Kuwait, were also planning similar plants.

High world prices, boosted by heavy demand, meant the cost of a new plant could be paid off in two years, he said.

Mr Oxley predicted "a bright future" for polypropylene producers, "provided economic growth continues."

Chem Systems director Geoff Pyke told delegates the propylene and polypropylene industry was "the major new direction," offering major potential for Middle East investment.

Industry sources said a decision on the Bahrain plant may not be taken for another two or three months.

A Development Ministry spokesman said: "A number of outstanding issues on the project are still being examined.

EGYPT

Islamic Trend Wins Scientific Union Elections

45000130 Cairo AL-SHA'B in Arabic 7 Mar 89 p 1

[Report by 'Amir 'Abd-al-Mun'im]

[Text] The Islamic trend has won a majority of seats in the elections returning one-third of the members of the Union of Scientific Trades. They received 34 of the 36 open seats in the five branches and won a majority of seats, 27, in the union's council. Dr Abu-al-Fattuh 'Abd-al-Latif, president of the Scientific Research Academy, won the post of union president.

IRAQ

1988 Industry Statistics Show Production

Increases

44000380 Baghdad BAGHDAD OBSERVER in English
15 Feb 89 p 2

[Article by Akram Dhanun]

[Text] The Ministry of Industry achieved remarkable production rate increases in 1988, said source.

The source gave figures on production rates in that year, saying that al-Mishraq Sulphur Department realized 107 percent of its production plan for refined sulphur, while the Phosphate Department achieved 91 percent of its target output of single component fertilizer, 117 percent of compound fertilizers and 85 percent of three-component phosphate fertilizers. Giving more figures, the source said that the Fertilizers Department achieved 165 percent increase in the production of urea.

The production of car tires shot up to 100 percent of the target 1988 production figure. The Rubber Industries Department which produces the tires also made an increase of 115 percent in the production of bicycles and 92 percent of plywood.

The cement factories run by the Northern Cement Department increased production of ordinary cement by 91 percent and 95 percent for white cement.

The increase of construction materials production surpassed 100 percent of all different types of the materials, while the minimum increase in the production of glass and ceramics reached 92 percent.

Referring to the increase in the production of electrical appliances, the source said that they ranged between 93 percent and 107 percent, while the production of batteries attained an increase of 86 percent for dry batteries and 113 percent for liquid batteries.

The source listed other departments which have achieved high production growth rates. These include the Departments of Woolen Industries, Ready-Made Clothes and Silk.

The source explained that the Oil Vegetables Department scored an increase of 109 percent in the production of solid edible oils and a 110 percent increase in the production of detergents.

The source gave more figures saying that the Tobacco and Cigarettes Department achieved an increase of 103 percent in the production of 'Sumar' cigarettes and 126 percent in the production of matches.

The production increased by the Dairy Products Department reached 122 percent of pasturized milk, 102 percent of cheese, 158 percent of cream and 196 percent of thick yogurt.

Beer production increased by 97 percent, while the production of other alcoholic drinks increased by 111 percent.

The production of different iron ores increased by 115 and 100 percent, while glass materials production increased by 152 percent.

The source said that medical requirements production increased by different proportions.

Official Discusses Banking, al-Basrah Reconstruction

44040290 Kuwait *AL-WATAN* in Arabic 16 Feb 89 p 9

[Excerpts] Fa'iq 'Abd al-Rasul, head of the Iraqi Fund for External Development, has affirmed that evaluating the credit worthiness of Iraq in the international world markets does not depend on the size and capabilities of the Iraqi economy. He indicated that the size of Iraq's foreign debts is still much less than the export capacities of the economy. He said in a statement to AL-WATAN that despite the nature of the loans given to Iraq, the majority of which are medium term, they could be of negative influence from the point of view that they would swallow Iraq's resources of foreign currency. However, Iraq's honoring its commitments and settling its accrual bilaterally should be taken into consideration when evaluating credit worthiness.

On the project to finance the reconstruction of al-Basrah granted by the Iraqi Fund in the last meeting of the Arab financing institutions which was held in Kuwait, Dr al-Fa'iq said that the Iraqi Fund for External Development had presented an initial working paper on financing three infrastructure projects to reconstruct al-Basrah. Al-Basrah was specified due to its characteristics in relation to Arab Gulf countries and the close relations between the people of the al-Basrah and the Gulf. In addition to that, it is considered an ancient city with positive effects on Arab Islamic civilization. It is also a confrontation city against the Iranian invasion enemy.

He said: Because of this, three infrastructure projects were chosen to reconstruct al-Basrah which include the realms of water, electricity, sewage, and cleaning rivers.

On its cost, Fa'iq 'Abd-al-Rasul says that the foreign component of the cost of these projects is approximately 260 million Iraqi dinars, at an official exchange rate of 3.0208 Iraqi dinars to the dollar.

He said that implementing these projects is estimated to require 4 to 5 years. The development funds should also support the Iraqi Fund and the Iraqi Government to finance these projects. He noted that there is participation on the Iraqi Government's part whether in local or foreign currency. The Iraqi side will shoulder the whole local currency costs. The foreign currency costs could be covered by foreign sources other than the Arab funds. The implementing companies could finance the last part complementary to the Arab funds' finances. Fa'iq 'Abd-al-Rasul said it is not necessary for the funds to contribute \$1 billion. He denied that the whole sum is \$1 billion, indicating that the estimated project costs do not exceed 260 million Iraqi dinars at the official exchange rate.

On the topic of the Iraqi Fund's satisfaction over the size of the private Arab investment which has come into Iraq since the application of the investment law, 'Abd-al-Rasul said: To date, nothing has actually come in.

However, the Arab investment law is new; therefore, its results have not been felt yet. He said that he expects the Arab investors to flock to Iraq in light of the great capabilities of the Iraqi economy, due to the size of the market, the availability of demand for such investment, and the ideal demography, in addition to the availability of foreign currency revenues and economic stability. He adds: We expect these to be sufficient motives to encourage this investment in Iraq.

On the Iraqi Government's measures to free the financial market from the imposed restrictions at present, the head of the fund says that there is a trend toward decreasing restrictions on the financial organ. For example, the banking system used to be unit banking. Al-Rafidayn bank enjoyed the privilege of monopolizing the market. But now, al-Rashid bank has been established, which could be a strong competitor of the Al-Rafidayn bank in the financial market. In the insurance market, the Iraqi Insurance Company has been established as a strong competitor with the National Insurance Company. He adds: Providing competition will certainly lead to raising the capacity for production and distribution of economic imports among the economic sectors. This would increase the economic growth averages which do not necessarily depend on an increase in investment. The main source of that might lie in increasing production which could be achieved as a result of providing the Iraqi market with an element of competition. On the possibility of opening the Iraqi money market before foreign banking, the Iraqi official says that discussion of this topic is premature, but all issues are open.

New Road Construction Projects Described

44000379 Baghdad *BAGHDAD OBSERVER* in English 11 Feb 89 p 2

[Article by Sa'doun M. al-Janabai]

[Text] A new expressway linking al-Hillah with Diwaniyah (south Iraq) was opened for traffic on Saturday.

The 43.5 km long-road which takes travellers from al-Hillah in Babylon province to Shawmal in Qadasiyah province without using the old Baghdad- -al-Hillah—Diwaniyah road, was inaugurated by Undersecretary of Housing and Construction.

The project known as Section 5A, was carried out by Transkomplekt, a Bulgarian contracting company, at a total cost of 40 million Iraqi dinars.

The resident engineer of the project, Mr 'Izzat 'Abd-al-'Aziz Gharib told THE BAGHDAD OBSERVER that the section is part of the Expressway No 1 linking the southern parts of Iraq and Kuwait with the western parts of Iraq namely al-Ramadi, Tawilah, and al-Rutbah leading to the Jordanian and Syrian borders.

Heavy vehicles need not enter towns and cities while they are travelling in the expressway as it is supplied with fuel stations and rest places, he said.

According to Mr Georgy Georgiev chairman of Transkoplekt, work has been completed within the time fixed in the contract.

All the interchanges taking travellers to areas like al-Hashimiyyah, Shawmali and al-Daghgharrah have been completed, he said adding that all roads have been provided with proper lighting.

Each lane of the expressway is 15.5 metres wide and has emergency exits and parking areas, he said.

"We (Bulgarians in Iraq) are very happy being here because Iraq is very nice and we like Iraqis, they are friendly to us," Mr Georgiev said.

His happy days in Iraq was culminated when his wife gave birth to a baby-girl in 1983 and they are still happy being here.

Meanwhile, the project manager, Hajinicolas—a Bulgarian working now for years in Iraq—thanked all Iraqi staff working in the project for their cooperation.

"The name Haji is famous in Bulgaria, because any Christian making the pilgrimage to Jerusalem (Al-Quds) is called Haji," he said.

He added 11 flyovers, 3 bridges and 3 parking areas are attached to the newly-built road. The company, he said, is implementing the remaining 35 km of Section 6. Work is expected to be completed in June or July.

A ceremony was held on the opening of al-Hillah Diwaniyah expressway, attended by the Bulgarian First Undersecretary of the Ministry of Transportation Mr Stamenov, the Mayor of Babylon and a number of senior officials at the Ministry of Housing and construction.

During the ceremony speeches were delivered. The Iraqi Undersecretary of the Ministry and his Bulgarian counterpart unveiled a copper-made mural of President Saddam Husayn. The mural was made by a famous Bulgarian sculptor and is a gift from the Bulgarian company to Iraq.

The whole Expressway No 1 of 1,200 km has been divided into 10 Sections at an estimated cost of 1.2 billion Iraqi dinars.

Up-to-now some 75 percent of the whole Expressway has been completed. What is remaining is Section 6 in the southern parts linking Diwaniyah, Qadasiyah province with al-Nasiriyah, Dhiqar province. The Sections 1 and 10 in the western sides are under construction.

Work on the whole project of Expressway No 1 is expected to be completed in 1989 or at the beginning of 1990.

ISRAEL

Growth Potential of Islamic Movement Examined

44000377 *Jerusalem THE JERUSALEM POST*
in English 2 Mar 89 pp 2, 10

[Article by Asher Wallfish]

[Text] Municipal elections in the Israeli Arab sector show that the Progressive List for Peace is on its way down fast, while the Democratic Front for Peace and Equality (RAKAH) [DFPE] is slipping somewhat and on the defensive.

The Islamic movement has proved the wave of the future, with a tremendous growth potential, according to one long-time observer of the Arab scene in the Knesset.

Meanwhile, the Democratic Arab List of 'Abd-al-Wahhab al-Darawishal, characterized in error before the Knesset elections of 1 November as a fly-by-night, signalled this week that it is here to stay and that the support it enjoys is probably worth more than its one Knesset seat.

The Progressive List for Peace [PLP], whose two seats in the 1984 election were accounted a notable success, did well then at the expense of the DFPE. It attacked the DFPE as an old and tired party which led its political struggle according to the rules of the establishment. It also criticized the DFPE's dependence on Moscow.

For the municipal electors, the rallying cry of rights for the Palestinians and talks with the PLO was an intoxicating message which provided no answers to Israeli Arabs concerned about their personal situations and their immediate environment.

Meanwhile, the Islamic movement was beavering away in a number of major rural centres, providing educational, cultural, religious and even medical facilities. It set up dispensaries rivalling those of Kupat Holim.

Parents worried about the inroads made among the younger generation by crime, drugs, cinema and blue video movies were able to get solace from the Islamic movement. They also got constructive help.

The DFPE and the PLP were incapable of offering either solace or comparable help when it came to sewage, drinking water, kindergartens, playgrounds, and a constructive, inward-looking social message, THE JERUSALEM POST was told.

Al-Darawishal at the same time could improve his ground in this week's municipal elections because he was seen as a man with each foot in a different world.

To those Israeli Arabs who gave priority to the plight of their brethren in the territories and in the Palestinian diaspora, al-Darawishal preached and practised personal contact with PLO leaders at top level.

But having matured within the Labour Party and the civil service in Israel, al-Darawishal is seen by many as a fixer who knows whom to talk to about what, and who has not burned his bridges with the establishment.

The Islamic movement's gains in the municipal elections are not taken as a sign among the Israeli Arab community, at this point, that it hopes to enter the contest for the next Knesset.

The Islamic movement, in other words, will not necessarily follow in the footsteps of SHAS in the Jewish sector and cash in on its success in local politics to rocket into national politics. So far the movement has earned a reputation of doing more and talking less.

Marada Dunsky adds

In addition to the sweeping victory in Umm al-Fahm by the Islamic Bloc, which captured the mayoralty of 11 of 15 seats on the city council, candidates from Islamic lists will become heads of local councils in two villages elsewhere in the Triangle and members of local councils in five.

In Galilee, the Islamic movement in Nazareth stunned the city when it walked off with 6 of the 19 seats on the city council. In neighbouring Kafr Kanna, the Islamic list won 4 mandates on the local council and its candidate for head of the council will complete in a run-off election.

Response from the DFPE, the big loser to the fundamentalists in Umm al-Fahm and Nazareth, was muted. Spokesman Uzi Bourstein said the party had issued a statement opposing Cohen's proposal. While acknowledging that politically the Islamic movement is "a big danger for us," he said that "the way is not to outlaw their existence but to have an open and public fight with them."

Bourstein noted that the Democratic Front had increased its leadership of local councils by two, having won in Kafr Kawkab, Sakhnin, Kafr Manda and Ban'i.

Such a shift from Zionist to non-Zionist parties in Arab voting was a continuation of a trend that began in November's Knesset elections, according to Shmu'el Toledano, a former adviser to the prime minister on Arab affairs.

"Everybody was surprised, nobody guessed that they'd have that kind of strength," said Johnny Jahshan, a former HADASH city councillor.

Jahshan said that the Islamic movement in Nazareth, rather than attacking the record of the ruling DFPE, chose to run on a platform of Islam vs. communism, attracting in the process many of the city's less-educated Muslim voters and many of its "problematic youth."

Interior Ministry, Muslim Bloc Relations

Discussed

44000384 Jerusalem *THE JERUSALEM POST*
in English 10 Mar 89 p 9

[Article by Oz Frankel]

[Text] When the reports on the victories of the Muslim Bloc poured into the television studio the night of the municipal elections, Minister of the Interior Arye Der'i spontaneously expressed the concern of the Israeli establishment by somewhat ironically asserting: "One day we are going to miss the Communist party, NADASH."

But this week Der'i appears to prefer not having said those words. Ministry officials were specifically instructed not to show dissatisfaction over the rise of the Muslim fundamentalists, and to emphasize publicly the government's willingness to cooperate with the newly-elected mayors and heads of local councils.

"After all, these local leaders were elected in a fully democratic procedure," noted Minister Ehud Olmert who is in charge of the Arab sector. "They did not commit any offence and we cannot punish them or their areas' inhabitants just because we do not share their values."

Speaking with *THE JERUSALEM POST*, Der'i admitted that his initial reaction was given off-hand. "I thought that NADASH was part and parcel of this country since 1948, despite political controversies, while the new Islamic movement has no commitment to Israel." Since then Der'i consulted with experts and, together with Olmert, decided to refrain from any value judgment of the developments in the Arab municipalities. Der'i testifies that he was impressed by the pragmatic approach of Ra'id Muhaminah, the elected mayor of Umm al-Fahm, as manifested in his radio interview.

It appears that the Interior Ministry has chosen to pursue a highly cautious attitude in handling the newly-elected politicians of the Muslim Bloc. As one ministry official said: "We decided not to provoke anti-Israeli tendencies and not to push them against the wall." The name of the game is "live and let live." If the Muslim Bloc activists are going to be preoccupied with problems of sewage and balancing the budget, in addition to promoting religious matters such as building mosques, then they are not going to be bothered. On the contrary, they are likely to receive some encouragement.

But if their fundamentalism is to be translated into political anti-state and anti-Jewish activities—as elsewhere in the Muslim world—then the government is likely to intervene.

'Amram Kalagi, the Interior Ministry's northern district commissioner, says "By comparing these people to the ayatollahs in Iran, we misjudge them. They are Sunni Muslims who participate in the public life of this country and are not likely to resort to Shi'ah-like fanaticism."

The ministry has wide discretion over local government: the law virtually makes the municipalities "captives" in the hands of the central government in Jerusalem. The minister even has the capacity to dismiss an elected council and replace it with an Interior Ministry-appointed council.

The director-general of the ministry, Dov Kehat, notes that unless a municipality grossly deviates from its local functions the ministry does not interfere. When several Arab councils decided, a few months ago, to support the intifada and Arab heads of councils exploited their position for this highly-political public campaign—especially in raising money—they were warned that their activity was unlawful and received hints they might encounter sanctions for it.

The impression is created by Kehat that the government would be more than happy if the Muslim Bloc devotes its energy to religious affairs. But what will happen if they decide to impose religious conduct on all of the inhabitants? What if, for instance, they pass a local law forbidding women to walk around without the traditional veil? Will the ministry stay silent in order not to scare the genie out of the bottle?

Kehat responds that, in such a hypothetical case, the minister would abolish such local legislation. "Theoretically, they might pass such laws; but if this legislation turned out to be against the general public's interest it will not be approved. It would be the same as if the mayor of Tel Aviv were to decide to impose an entry fee on those who want to visit the city."

The fact that the Interior Ministry is now controlled by the ultra-Orthodox party, SHAS, adds a new dimension to the issue. The notion that we might witness a historical encounter between Jewish and Muslim fundamentalists is intriguing indeed. Perhaps the bearded, robe-wearing, spiritual leaders of both sides can find much greater common ground than expected at first? One could argue that they represent a substantially similar phenomenon.

For the time being, such cooperation is purely speculative. The speculation may have found support in the way religious Jewish leaders lately backed the Muslim attack on Salman Rushdie's Satanic Verses but SHAS's senior activists find such a comparison offensive.

SHAS does not perceive the Muslim sector as a potential constituency. Until four years ago, the Interior Ministry was headed by an NRP [National Republican Party] minister. At the height of its political strength, the NRP derived at least one Knesset seat from Arab voters, based on ties of political patronage cultivated for more than 30 years.

SHAS does not have any ambition in that respect. In the last election, it got 100 votes in the Beduin town of Rahat; 150 in the Druze village of Ussafiya and only a marginal number of votes elsewhere in the Arab sector. MK Ya'ir Levi, the Tiberias-born secretary-general of SHAS, claims to be familiar with the Arab population—but not politically interested.

Levy says his party has not yet exhausted its full potential among the Jewish Sephardim and, apart from some minor activity among the Druze sector, has no intention of repeating the NRP's efforts. "Why should I invest any time and effort in Muhammad when I can deal more comfortably with Buzaglo from Dimona?"

One should also note the distinctive fashion in which the minister, Arye Der'i is assuming his office. Even in the unique environment of SHAS, Der'i is a rare specimen. In his personal style, he is closer to the media-minded behaviour of the young Likud stars. In his political views, he leans to the Left. It seems he intends to run his ministry first and foremost as a modern technocrat and not necessarily to use it as a vehicle to promote SHAS ideology.

His proposal this week to abolish censorship on theatre plays was praised most notably by liberal circles. An alliance between him and the Muslim Bloc, motivated by religious or even political considerations, appears to be a remote prospect.

Jerusalem is patiently waiting to see in what way the Bloc will implement its platform. The test case will probably be in Umm al-Fahm, not just because it is one of the largest Arab towns but also because it faces the gravest financial crisis.

Der'i discloses that, two months before the elections, he almost replaced the mayor of Umm al-Fahm with an appointed commission because the municipality had nearly collapsed. The Muslim Bloc will thus be credited by government and inhabitants alike first of all on its ability to present good management.

The Bloc itself is quite evasive in exposing its future plans. The leaders prefer to wait to assume office before stating their exact intentions and they are well aware of the concern their movement arouses among the non-Muslim Israeli public.

As for their relations with the SHAS-controlled ministry, 'Adnan Amr, elected vice-head of the council in Kafr Qasim told THE POST his movement perceives the

ministry as just another branch of government and does not have specific expectations. But he indicated: "I just hope we will get along more comfortably since there are religious people on both sides."

Gush Emunim Pressures Government on New Settlements

44000385 Jerusalem THE JERUSALEM POST in English 9 Mar 89 p 12

[Article by Joshua Brilliant]

[Text] Tel Aviv—Gush Emunim leaders said yesterday that within the next few days they would overcome the obstacles blocking the first of eight new settlements they hope to build in the West Bank and Gaza Strip.

But senior government officials suggested no new settlement was imminent.

An aide to Finance Minister Shim'on Peres said next year's budget includes no allocations for new settlements, while an aide to Defence Minister Yitzhaq Rabin said the settlers would not move in unless the government or the World Zionist Organization agreed to finance the settlement.

The settlers said they were encouraged by the tens of thousands of supporters who turned up at Kikar Malkhey Yisra'el Tuesday to back their demands. They warned that if the obstacles were political rather than bureaucratic, they would take "other action."

The settlers want to move about 30 people who have been living near Bi'r Zayt, in the West Bank, to a rocky hilltop three kilometres north of Dolev. Yohanan Indek, who heads the group seeking to settle at that site, called Talmon, told THE JERUSALEM POST their caravans and equipment were ready to move. The settlers plan to move on Sunday and hold an inauguration ceremony on Wednesday, Indek said.

Gush Emunim official Yehuda Hazani said all the settlers needed was "one letter" from Housing Minister David Levi, who is currently in the United States. The settlers are asking Levi to finance the settlement.

Three weeks ago Prime Minister Yitzhaq Shamir asked Peres to allocate NIS 64 million for eight new settlements to be built in accordance with the coalition agreement. Peres told Shamir the request came too late. Since then, the Likud has upped its demand to NIS 80 million.

The WZO [World Zionist Organization] is also unlikely to finance the settlements. Nisim Zvili, a chairman of the WZO's settlement department, blasted the settlers' plans as idiotic, demanding that they beef up sparsely populated existing settlements instead of building new ones.

The other WZO chairman, Matiyahu Drobles of the Likud, indicated he too was not inclined to finance the eight settlements because he had more pressing problems.

Uri Ari'el, chairman of the Council of Settlements in Judea and Samaria, said money was no obstacle—the settlers had enough pioneering spirit to live in 21-square-metre caravans. Hazani insisted all eight settlements would be built this year. "This will be our answer to the PLO," he said.

But Rabin's settlement adviser, Shim'on Sheves, said several conditions must first be met. The settlers must show that the Cabinet approved the proposed site and that there is enough land.

KUWAIT

Kuwaiti Investment in India Discussed

44000391 Kuwait ARAB TIMES in English 27 Feb 89 p 10

[Text] New Delhi, Feb 26, (KUNA): Indo-Kuwait trade has increased by twenty times in the last eight years, 'Ali Zakariyah al-Ansari, Kuwaiti ambassador to India told KUNA on the occasion of his country's National Day.

He said trade turnover, which was barely Rs 200 million in 1978, had touched Rs 4,000 million in 1984-85. It has, however, remained stagnant since then.

While Kuwait imports meat, spices, sugar, leather garments, fruits, vegetables, coffee and textiles and jewelry items from India, it exports mainly oil and petrochemical products. Al-Ansari admitted that balance of trade is in favor of Kuwait.

Scope

He said there is a vast scope to further expand and diversify ties between the two countries in the industrial sector. Already a number of communication experts from India are engaged in various projects in Kuwait. They man several mobile telephone and electronic exchanges.

He said the Kuwait Fund for Arab Economic Development had already extended \$300 million in assistance to India for various developmental projects. This includes the Kalindi hydroelectric project, the Kopili power stations and the Ampara thermal project. The fund also provided \$25 million for development of shrimp-fishing in the southern state of Kerala.

The ambassador said that economic co-operation between the two countries has received a boost in recent years. An agreement on air transport was signed last month which enables Kuwait Airways to operate ten flights a week to India.

Ansari also said Kuwait is looking for investment in India. He said Prime Minister Rajiv Gandhi's government has liberalized trade policies, which businessmen in Kuwait feel is encouraging. Talks are already under way regarding the avoidance of double taxation.

Role

Ansari had all praise for India's leading role in Non-aligned Movement for pleading the cause of Arabs and Palestinian "India's role regarding Gulf and Middle East issues has been effective," he added.

He also expressed greetings to HH the Amir Shaykh Jaber al-Ahmad al-Jaber al-Sabah on the occasion of Kuwait's National Day. He said Kuwait had made leaps and bounds of progress under the Amir's leadership.

Ansari said Kuwait enjoys excellent relations with Arab and Islamic countries. It is making efforts to solve Lebanon's crisis, as it feels this will bring about prosperity in the region.

As chairman of the Islamic Conference Organization, the Amir has made special efforts to end the Iran-Iraq war, Ansari added.

Kuwait has extended its full support to the intifadah in occupied territories, and supports the convening of an international peace conference on the Middle East, he said.

Development Fund's Foreign Aid Discussed

44000392b *Kuwait ARAB TIMES* in English
25 Feb 89 p 9

[Article by Diane Diaz]

[Text] Kuwait can be justifiably proud of its foreign aid programme. The primary aid-giving body, the Kuwait Fund for Arab Economic Development has participated in 340 projects in 64 countries both inside and outside the Arab world. In spite of shrinking oil revenues, Kuwait continues its assistance programmes, independent of politics, religion or race.

In the northwestern African country of Mauritania, drinking water is in short supply. During the dry season, hundreds of villages have virtually no water, leaving the people and their grazing animals to eke out whatever meager existence they can manage.

The story is not new. And, lamentably, Mauritania is not alone in its plight: Nearly every African government can tell horror stories of severe droughts that bring on famine and death.

What can be done about it? How do underdeveloped countries like Mauritania bail themselves out of the abyss?

According to Kuwait's philosophy, these countries need outside help. And to back that philosophy, Kuwait readily puts up cash.

The Kuwait Fund for Arab Economic Development is the primary aid-giving body in this country that is working to help the Mauritanians of the world.

The fund's aid extends beyond Western Africa to other countries in need of development assistance; from neighboring Iraq to the nearby Yemen, and across Asia from Turkey to Pakistan, India, and China.

With a capital of 2 billion Kuwaiti dinars, the Kuwait Fund ranks as one of the largest aid-giving bodies in the world in relations to gross national product, though Kuwait itself is still considered a developing country.

Projects

The fund's projects in 64 countries vary from repairing and lengthening a runway in the Maldives Islands and developing the pharmaceutical industry in Egypt to enhancing rural water supplies in Western African nations and drilling natural gas wells in Oman.

"We look for small to medium scale projects that earn some return for the governments (of developing countries)," said Hisham al-Wuqayan, operations director of the fund.

He explained that the fund's primary goal is to provide technical assistance to developing countries in the areas of energy, agriculture, transportation and water supply.

The fund does not deal with social projects, such as housing and education, he said. Those projects are funded through Kuwait's various ministries, though the Kuwait Fund will occasionally agree to administer those types of projects on behalf of the government.

For example, Mauritania is receiving 2 million Kuwaiti dinars in housing assistance from the fund, though it is a project of the Kuwaiti government. It has also received funding to build 225 open wells, a Kuwait Fund project that will supply water to 125 villages during the dry months.

Other countries receive similar help.

The fund invites applications for assistance from all developing countries, al-Wuqayan said. "Even Asia doesn't have the same problems. They deal with floods, but their food supply is more organized and secure (than in Africa)."

However, even the most needy countries must meet the fund's criteria for aid approval. That means each applicant must submit a proposal for a project, detailing the

priority items if there is more than one, include a feasibility study that outlines the project's chances for success, and prove that the funding for the project is secure.

The Kuwait Fund policy stipulates that Kuwait should not fund more than 50 percent of any given project, and it should not fund more than one project at a time in any given country.

The recipient country is responsible for setting its priorities on which project should receive immediate attention and it must secure the other half of the money from other sources or its own government.

Again, in the case of Mauritania and several other countries, Kuwait has agreed to help with more than one project and provide more than a 50 percent share.

"Of course there are some exceptions," al-Wuqayan said. "When we are dealing with such an essential thing as water, we don't go strictly by the rule."

Disbursed

Thus, the 2.5 million Kuwaiti dinars loan that Mauritania received for the water supply project, will cover about 90 percent of the cost. The government of the Islamic Republic of Mauritania will provide the rest.

The terms of foreign aid disbursed by the Kuwait Fund vary from project to project. As with most aid institutions, the fund offers both grants and loans, though the grants are restricted to feasibility studies.

If a feasibility study shows that the given project is not worth undertaking, then the Kuwait Fund writes off the amount it paid out for the study. If the study shows that the project is viable, the Kuwait Fund will include the cost of the feasibility study in the overall loan it grants to that country to carry out the project.

Loans are repayable at interest rates ranging from 1.5 percent to 6 percent, with anywhere from six months to three years grace period. Once payment has commenced, the loans must be paid off within the stipulated time frame, usually not exceeding 40 years.

The terms, according to al-Wuqayan, are generous and leave enough room for struggling countries to cope with their debt burdens. He said Kuwait does not fund projects that will leave an already shaky economy in a worse situation.

For example, he explained that the fund has stayed away from funding projects in Latin America because of the

"We must look at the consequences the aid will have on the countries," al-Wuqayan said. "There would be no point entering that region (Latin America) because they need more than Kuwait Fund help. It would be like a drop in the sea. Their problems are too great."

He said Kuwait has also held back in Latin America because the fund's resources have shrunk considerably in recent years.

"Now that money is scarce we need to make the best use of it," al-Wuqayan said, adding that African countries like Madagascar, Mozambique and the Comoros Islands have more urgent needs than Latin American countries.

"We look to help the least developed countries," he said.

In the mid-70s Kuwait was the eighth largest foreign aid donor in the world. Dollar for dollar it ranked only behind the United States, Saudi Arabia, France, Germany, USSR, Japan and the UAE [United Arab Emirates].

At that time, Kuwait was giving 6.91 percent of its gross national product to foreign aid, or about \$1.4 billion dollars, according to the 1988 OPEC Aid and OPEC Aid Institutions Profile.

The scope of the fund's operations had expanded in 1974 to include countries outside of the Arab world, spurring rapid growth of the fund's operations.

Yet, since that time the resources available from the fund have diminished dramatically.

For example, in fiscal 1987 Kuwait's global aid contributions dropped to one of its lowest levels ever. The entire nation provided \$491 million in foreign aid—or 2.1 percent of the gross national product.

The sharp decline in aid money reflects shrinking oil revenues in Kuwait. It is a trend that has affected all of the OPEC aid giving countries.

Even Saudi Arabia, which still ranks as the largest foreign aid donor in relation to GNP [gross national product], has seen a huge drop off in its contributions. In 1975, Saudi gave just over 8 percent of its GNP to foreign aid. By 1987 that figure had decreased to 3.7 percent.

Many industrialized countries, whose revenues are not closely linked to oil, now have less money to give as well.

The United States, traditionally considered the world's aid-giving giant in terms of dollar amounts, has taken a back seat to Japan. As a percentage of gross national product, U.S. aid is down to less than 0.3 percent—an all time low for the United States and lowest among Western nations, according to a recently published report.

Though the American aid, at about \$9 billion a year, dwarfs the amount put out by Kuwait, the money is not nearly as evenly disbursed.

Since 1977, Israel and Egypt have received the lion's share of the American money—nearly 50 percent of all U.S. aid.

Since 1979, those two countries plus Turkey, Pakistan, Greece, El Salvador, the Philippines, Spain, India and South Korea, have received about 70 percent of all U.S. bilateral aid.

Kuwait prides itself on its widespread foreign aid involvements. The Kuwait Fund alone, has participated in 340 projects in 64 countries, both inside and out of the Arab world.

"The Kuwait Fund is open for anyone," al-Wuqayan said. "East and West can participate in our projects. It does not depend on politics, religion or race."

Foreign aid may be shrinking, but Kuwait's commitment has not. Because of oil prices, the government does not hand over as much cash as it used to for capital investments. However, the fund is taking steps to make up for those losses.

Recently, the government passed a law that gives the Kuwait Fund permission to use its own reserves. The funds has since started to use the money brought in from loan repayments and investments to boost its resources.

That way Mauritania and other nations around the world are sure to get a helping hand from Kuwait when they need it the most.

Many Government Services May End
44000390a Kuwait ARAB TIMES in English
23-24 Feb 89 p 4

[Article by Jadranka Porter]

[Text] Kuwait is redefining its concept of the super-welfare state in a major policy shift that could put an end to many government services now provided free of charge, and drastically alter the character of the expatriate labor market.

The emphasis now will be on human resources development, Kuwait's Undersecretary of Planning 'Abd-al-Hadi al-Awadi told the Arab Times, in order to insulate Kuwait from a potentially grim future when the resource of oil dries up.

Spurred by what they see as indolence and waste in an all-encompassing welfare system, and the realization that efforts to integrate Kuwaiti labor into a predominantly expatriate work force have largely failed, government

planners will redirect resources away from cradle-to-grave security towards an incentives-based strategy that emphasizes basic hard work, which will hopefully affect the private sector.

Value

"They have to feel the pinch", al-Awadi said, "to know the value of the services the government provides."

In short, "stretch your legs to fit the blanket." But al-Awadi was quick to point out that change will be gradual. There will be no sudden withdrawal of benefits or the imposition of fees, he said.

"We are trying not to step on anyone's toes," he stressed. "We don't want to antagonize Kuwaitis or foreigners."

What all this means to the man on the street is not exactly clear. The government appears reluctant to provide precise details. But the outlines can be seen from provisions under consideration.

These include fees of 0.500 Kuwaiti dinars to 1 Kuwaiti dinar for prescribed medicines, and unspecified charges for the use of some recreational facilities.

The Cabinet has already approved an airport tax of 2 Kuwaiti dinars.

On the labor side, expatriate contracts will be rewritten to include a clause specifying that expatriates must train a number of Kuwaitis. The government also plans to subsidize the employment of Kuwaitis in the private sector, encourage women's participation in the labor force, and revive a 1965 law which rules that Kuwaitis should make up 25 percent of the work force in manufacture industries.

Intent

The government is also intent on teaching Kuwaitis—ranging from school children to ministry undersecretaries the value of planning. Special courses are being tailored for students and government officials. Bachelor and Master degrees in planning and development will be introduced at Kuwait University.

If all these provisions actually get past the planning stages the Gulf will see a Kuwaiti who, as described by al-Awadi, "is well-trained, productive, hard working, professional, loyal to his country and beliefs, who works for work's sake, who loves to share, who thinks not only of himself but also of the community he belongs to."

Industrial Area Expansion, 5-Year Plan Discussed
44000390b Kuwait ARAB TIMES in English
28 Feb 89 p 1

[Article by Khalid Ahmad]

[Text] 'Abd-al-Karim al-Zamil, acting Director-General of the General Administration at al-Shu'aybah Industrial Area was quoted as saying that the administration is coordinating its efforts with Kuwait's Ministry of Commerce and Industry to expand the al-Shu'aybah Industrial Area.

Speaking at a press conference he said that the proposed industrial expansion will involve the distribution of 296 plots of 500 square meters each to be allocated for handicrafts in addition to 175 plots to be allocated for light industries.

The proposed expansion will cost about 10.65 million Kuwaiti dinars to be recouped within ten years from the anticipated revenue of such plots. The oil and non-oil projects at the area cost 222 million Kuwaiti dinars. The area was established in 1964, the official said.

Projects

About 12 million Kuwaiti dinars will be allocated to the area in the next five-year plan. Total funds invested in the oil and non-oil sectors from 1964 to 1987 amounted to 400 million Kuwaiti dinars. Employees totalled about 11,638 of which 16 percent are Kuwaitis.

Projects carried out before 1989 included the expansion of water pumping stations at a cost of 56 million Kuwaiti dinars, roads and service facilities at 13 million Kuwaiti dinars, the expansion of al-Shu'aybah port and establishing container services at 22 million Kuwaiti dinars in addition to the security projects the first phase of which cost about 5.4 million Kuwaiti dinars. The expected cost of the second stage is about 22 million Kuwaiti dinars.

Five types of projects will be carried out during the second five-year development plan (1990-95).

The projects will cost 48.2 million Kuwaiti dinars. These include fire-fighting equipment, completion of the infrastructure projects, water pumping stations for cooling, environment protection projects and plans for the completion of security projects.

In its bid to promote industry in Kuwait, the Shu'aybah administration provides land at a rate of 200 fils annually per square meter. The administration provides sea water for cooling purposes free of charge to the industries within the area.

Al-Zamil said that the administration actively contributes to the environment protection projects by monitoring and determining pollution levels in air and water. He

said that a 13.1 million Kuwaiti dinars project is under construction to establish a station for the treatment of liquid and solid industrial residues.

The solid station will be completed next year while the other will be completed in five years.

Al-Zamil announced the total industrial exports from the al-Shu'aybah area through the al-Shu'aybah port in 1987 was over 1.1 million metric tons. The area and its companies in 1987 consumed 1,777,000 tons during the same year. The factories in the area consumed over 100 billion cubic feet of gas over 9.2 million cubic meters of fresh water.

He added that the eastern part of al-Shu'aybah is reserved for oil industries, petrochemicals and refineries. It occupies a 10,380,000 meter area and consists of ten industries.

Kuwait Oil Company occupies 34 percent of the eastern area in al-Shu'aybah.

On the other hand the western area of al-Shu'aybah, of a 12,604,616 meter area includes eight construction industries, four mineral industries, three oil industries and four paper industries. These industries occupy 26 percent of al-Shu'aybah west area.

Al-Zamil added that the western area is reserved for other industries excluding food industries. He said that the area is reserved for heavy industries.

Each industry should have a maximum area of ten thousand square meters and should restrict themselves to safety and environment protection conditions.

The area development and planning committee regularly reviews ways to develop and improve the area, al-Zamil said.

The press conference was attended by the Deputy Director General for Planning and Development Affairs at the administration Balwi al-Qa'id and the Director of Training and organizations Manahi al-Hadram.

Goals and Expectations of Youth Described
44000392a Kuwait ARAB TIMES in English
25 Feb 89 p 9

[Article by Diane Diaz]

[Text] On a bench in the courtyard of Kuwait University's al-'Udayliyah campus, two young girls dressed in abaya and hejab sit talking in the mid-afternoon sun.

One of the girls is a freshman—a newcomer to the idealistic world of higher education. The other is a recent graduate in political science.

They are timid and reserved when approached by an intruder who asks to talk them about their outlooks on life. They shyly invite the stranger to sit down, as they exchange skeptical glances. In a matter of minutes, the barrier breaks and the girls' emotions rise to the surface.

"I hope in the future to be famous," Nuwayt al-Azmi blurted out, almost at once. The 23-year-old graduate spoke confidently and with perfect articulation.

With wide eyes and an eager, fast-paced tongue, al-Azmi went on to describe the Kuwait she envisions in the future. A Kuwait where "wasta" doesn't make a bit of difference. A Kuwait where expatriates don't play such a large role in the workforce. And, perhaps most ideally of all, a Kuwait where women are politically active.

Al-Azmi's hopes and dreams, her frustrations and disillusionments, reflect a new attitude rising within the ranks of Kuwaiti youth.

"The children today have a very different way of thinking," she said. "They will have a say in the future."

Al-Azmi's freshman companion chimed in with, "Now it is very different from the past. Women can work in almost any work."

In more than 25 interviews with Kuwaiti young people, the Arab Times has found that the new attitude has seeped into all walks of life. From students and teachers to ministry employees and housewives, the new generation is rife with goals and expectations.

Without exception, the youths showered their country with praise. They talked of the progress Kuwait has made since it gained independence in 1961, and gave optimistic appraisals of their prospects for the future.

"There isn't a person in Kuwait who doesn't love Kuwait," al-Azmi said. But, she added, there is still room for change."

"We want to offer to help our government," she said. "But they must give the women more duty. The government must care about us when we disagree. And the government should make it easy for us to get jobs without wasta."

Wasta—otherwise known as influence—is a sore point with a number of the people interviewed.

When the subject came up in a discussion with five Kuwaiti men in their early 20s, a cloud of animosity immediately filled the air.

The youths charged that wasta has infiltrated all aspects of Kuwaiti life. They said getting a drivers' licence, a scholarship, or a job can be a major ordeal without the necessary wasta.

"You have to know someone higher up to get anywhere," one youth said.

Agreed

They agreed amongst themselves that wasta is such a way of life in this country, that their own qualifications and expertise mean little when it comes to getting the types of jobs they seek.

One young man, Mahmud al-Shamari, told the story of a friend who has wasta.

He said the friend studied psychology at Kuwait University, then landed a top job in a large oil company, despite the fact that he didn't have the necessary qualifications. He said the friend was earning 1,200 Kuwaiti dinars a month more than three times the salary of most entry-level ministry jobs.

"He had wasta," al-Shamari said. "We with expertise will end up working in a ministry."

The story of al-Shamari's friend may or may not be true to fact. But the frustrations brought on by the concept of wasta are certainly real in the minds of young Kuwaitis.

Ziyad al-Shiran, a 26-year-old teacher at Kuwait University, tried to put the issue of wasta into perspective.

"They call it vitamin 'W,'" he explained. "For some people it is a problem. For others, it is a way of life. Unless it is stopped from the highest levels in the country, nothing can stop it."

Still, Kuwaiti young people tend to think this issue has a direct bearing on their prospects for a successful future.

"Kuwaiti students can't get any job," complained 21-year-old Rafi'a al-Shamari, a student in Kuwait University's Faculty of Commerce. "They (the government) put you in a ministry and give you a salary, but you can't go on from there."

"You have to have wasta, or the right family name to get the work you want," another youth added.

But do young Kuwaitis really want to work?

In recent months that question has come into sharp focus as university enrollments show that Kuwaitis seem to be shunning demanding technical majors.

Because the government guarantees jobs to all Kuwaiti citizens, the youth of this country have been charged with placidly accepting clerical jobs in ministries instead of seeking more demanding, skilled jobs elsewhere.

Last November, the university rector blasted male Kuwaiti students for being lazy and predicted that they will not be able to fill the growing number of technical jobs in this country.

"It's not true," said 23-year-old 'Ali al-Khalafi, who aspires to be a civil engineer. "We will work hard if there is work. We don't say no if the work is hard."

Statistics show that that is not always the case in this country. Only a small percentage of jobs in Kuwait are actually held by Kuwaitis.

According to the 1987 census, only 19 percent of the workforce is Kuwaiti. More than 80 percent of the jobs in this country are held by other Arabs and Asians. Less than one percent of the workforce is European, American and African.

Campaign

The government is currently stepping up its campaign to reduce the number of foreign workers in this country, but the question remains: Will Kuwaitis be there to fill the void?

"Kuwaitis can't work in laborer jobs," one young man said. "Kuwaitis want to be the boss first. They don't want to start from the beginning."

"We feel this is a problem we want to solve," said another Kuwaiti youth, adding that Kuwaitis are now more educated and need to find work in their fields of specialization.

Most everyone interviewed agreed that Kuwait needs its expatriate workers. The majority also said they should be phased out gradually, and only after suitable Kuwaiti replacements are found.

The youth of today say they want to work, they want to play an important role in the future of this rapidly developing nation, and they want to start now.

How much is realistic? How much idealistic?

Ask al-'Azmi, the confident political science graduate.

"It will probably take 10 or 20 years before women can get really involved in politics," al-'Azmi said, adding that it is up to this generation to make changes for the future.

"One can't do it alone," she said. "I would need a group of people just like me, with the same thinking and the same hopes to make something happen."

In the meantime, al-'Azmi said, she won't work until she finds "a suitable job." Perhaps in a large petroleum company, or in the Foreign Ministry.

"But for that you need big, big wasta," she lamented.

"There is a big difference between what I want to be and what I see I can be," said the rational Mahmud al-Shamari.

"Don't forget that I love this country," he said. "But there are some problems internally. We will solve these problems. No one will solve them for us."

Another young man, Diya' al-Tamimi, summed it up this way:

"We have a strong hope for the future. We have started to look at the problems from inside ourselves. We will work harder, and Kuwait will have a wonderful future."

OMAN

Ruler Discusses His Country's Accomplishments

44000386c Muscat *TIRES OF OMAN* in English
9 Feb 89 pp 1, 6

[Text] His Majesty Sultan Qabus has again called upon Oman's youth to be prepared to accept jobs of all kinds to lessen the dependence on foreigners.

"As I have told our young people on a number of occasions recently, it is essential they understand that they must be prepared to undertake work of all types to relieve our dependency on expatriate assistance," His Majesty said in an interview published in the latest issue of *Leaders*, an international political affairs quarterly.

"Fortunately, there are full employment opportunities for our people now and there will be in the future."

His Majesty said Omanization was an important factor for the country's future planning, but stressed the need to maintain standards.

He said: "With increasing numbers of young Omanis coming forward qualified in academic and technical skills, every opportunity exists for them to take over work previously done by expatriates; however, we must also ensure that the Omanis are fully qualified to do so, since—as a developing country—we cannot afford any decline in standards."

Omanization was making good progress, although expatriates would still be needed for some years to come, His Majesty added.

He said the country's main aim now was to diversify the economy from total dependence on oil revenues. Agriculture, fisheries and mineral resources offered good opportunities in this regard, he noted.

Business

He said a permanent end to the Iraq-Iran war should revive business in the region, adding that he expected Oman to benefit from this revival, especially if oil prices could be stabilized at a fair level.

His Majesty said he welcomed new Soviet moves to normalize its relations with countries in the region.

Answering a question whether he thought the Middle East problems might spark a global conflict, His Majesty said: "With the world in its present state, it is unhappily true that there are many possibilities for an outbreak of global conflict. And these are not confined solely to the problems in the Middle East."

Leaders, in the special report on Oman also carried interviews with several top government officials and businessmen in Muscat.

Deputy Prime Minister for Financial and Economic Affairs, Qays Ibn 'Abd-al-Mun'im al-Zawawi told the magazine that Oman had been following a defensive fiscal policy since the oil price decline in 1986.

He said the third Five-Year Plan would stress diversification of sources of national income and encourage the private sector by maintaining "a healthy investment climate."

He added the Plan had been finalized on the assumption of an oil price of \$15 per barrel.

"We assume that at least until 1990, oil prices will fluctuate around a somewhat higher average price, in the \$15 to \$18 range, so the assumption of a \$15 price is rather conservative," Mr al-Zawawi said.

He added that if the long term price settled at the \$12 level or lower, adjustments would be necessary.

In another interview with *Deister-Und Weserzeitung* of West Germany, His Majesty spoke about the success of Oman's diversification programme.

"I am happy to be able to say that this policy is now showing positive results. We are now self-sufficient in fisheries, and are moreover in a position to export fish. High quality refined copper is both used in our own industries and exported.

"We also have good reason to hope that we shall become self-sufficient in agriculture within the next seven or eight years."

His Majesty also said that Oman was in the process of developing a varied light industry sector.

He said it had always been a basic principle of his policy to adopt those aspects of the modern world which were good for Oman and useful, and to refuse those things which were not.

"This principle certainly applies to the political and technological sectors," His Majesty said.

He added: "I consider it vitally important and decisive for our country that we should carefully preserve the traditional and religious values which have guided us through the centuries."

Solution

On the Palestinian issue, His Majesty said the only way to bring about a just and honorable solution was through an international conference. "Israel must be made to see, by those states which have influence with her, that she must take part in this sincerely," he added.

The German paper also interviewed Information Minister, 'Abd-al-'Aziz Muhammad al-Rawwas.

In reply to a question what happens when the oil wells dry up, Mr Rawwas said: "Already we have for some time been building up an alternative industry.

"Apart from that we are actively encouraging our agricultural sector."

The Minister was asked whether the spread of education would create a threat to the patriarchal system of government and lead to demands of free elections and a true parliament.

The paper quoted the Minister as replying: "There is no reason for anxiety about changes in the system."

It said Mr Rawwas regarded the problem as one conjured up by a European reformer.

"The people completely and utterly support His Majesty's policies," he added.

He also pointed out there was already a form of democratic participation, based on tribal parliaments.

The paper referred to the equal status that women enjoyed in Oman with men. "The dominance of men has long since been abolished in Oman. Women can no longer be married off against their will, and cruel husbands are sternly brought to book."

Soviet Mission To Strengthen Trade Ties Discussed
44000358d Muscat *TIMES OF OMAN* in English
16 Feb 89 p 21

[Excerpts] A nine-member Soviet trade delegation, the first to visit the Sultanate, was in Muscat this week to forge closer trade ties with Oman.

During the two-day visit the delegation, led by Mr Yaqubuf, head of the Directorate General of Trade with Asian Countries, Ministry of Foreign Economic Relations, met Government officials, industrialists and businessmen. The delegates also met Maqbul 'Ali Sultan, President of the Oman Chamber of Commerce [OCCI] and its board members on Sunday.

Welcoming the guests at the OCCI headquarters, Mr Maqbul 'Ali Sultan said, the trip should offer a good opportunity to the visitors to closely observe the Omani market and the activities of the private sector in the Sultanate.

He told the delegates that OCCI represented the Sultanate's private sector engaged in various fields of activities and that by the end of 1988 it had over 30,000 members.

He said economic cooperation was the only way to make a better and peaceful future and Oman was keen to cooperate with other countries.

Mr Yaqubuf thanked the Omani officials and hoped that the first visit would pave way for greater economic cooperation between the two countries.

The mission leader expressed interest in cooperating with Oman and even have joint projects with the Sultanate.

The delegates later visited the industrial exhibition being held at the Chamber premises and showed interest in importing some of the products being manufactured in Oman.

On Monday the delegates also visited the Rusayl Industrial Estate and held talks with Estate officials.

Oman Agrees To Cut Oil Exports
44000386d Muscat *TIMES OF OMAN* in English
2 Mar 89 p 3

[Text] Oman has agreed to cut oil exports by 28,000 barrels per day, according to a report in the authoritative "Middle East Economic Survey."

And non-OPEC producers will cut their exports for the second quarter without any reciprocal reduction by OPEC, MEES said.

Technical experts from independent oil producers had met in London on February 21 and six countries had agreed to cut exports by five percent, oil industry sources said last week.

MEES said six non-OPEC countries agreed to cut exports by a total 188,000 barrels per day (bpd) are as follows (in bpd):

Mexico 68,000, China 31,000, Oman 28,000, Egypt 24,000, North Yemen 20,000, Malaysia 17,000.

Apart from the six, Angola and Colombia have decided to freeze exports.

Ministry of Regional Municipalities Reorganized
44000358b Muscat *TIMES OF OMAN* in English
16 Feb 89 p 9

[Text] The Ministry of Regional Municipalities has been reorganized under the terms of a Royal Decree issued by His Majesty Sultan Qabus.

The new structure, contained in the Decree, gives an entirely new look to the Ministry, which was established in January 1985, to replace the Directorate General Rural Municipalities, previously part of the former Ministry of Land Affairs and Municipalities.

The Secretariat of the Committee for the Survey and Evaluation of Property will come under the Under-Secretary for Administrative Affairs. The Secretariat will have two departments: Financial Department and Technical Department.

The Directorate General of Administrative and Financial Affairs will also come under the Under-Secretary for Administrative Affairs.

Two directorates will come under the Under-Secretary for Regional Municipalities: Directorate-General of Technical Affairs and Directorate-General of Regional Municipalities.

The latter directorate will have five departments under it: Department of the Municipalities of the Interior and al-Zahirah, Department of al-Batinah and Musandam Municipalities, Department of Health Affairs and the Department of Transport and Machinery.

Under the Directorate-General of Technical Affairs come three departments: department of workshops, department of projects and the department of engineering affairs, in addition to Nasim garden. The workshops for Batinah, Sharqiyah, interior, Dahriyah and Musandam will come under the department of workshops.

There will be four sections under the department of projects: project study section, designing and drawing section, quantity and tender preparation section, follow-up and implementation section.

Engineering

The Engineering Affairs department will include five sections: building maintenance section, building inspection and control section, road illumination section, improvement and park sections and secretariat and archives.

The Department of Studies and Conferences will be directly attached to the Minister of Regional Municipalities. It includes three sections: studies section, translation section and conference section.

In addition to the advisors, the department of public relations will also be directly attached to the Minister. Its three sections are: public education section, information section and public relations.

Wide ranging efforts have been made by the ministry recently to improve the amenities in the various municipalities which come under the Ministry.

While doing so, the Ministry not only establishes close coordination with the concerned regional authorities but also takes into account the views and wishes of the local communities.

The Ministry of Regional Municipalities constructs minor roads, erects sun shelters along the roads and provides the facilities for the disposal of refuse. It drains the swamps which are the breeding rounds for mosquitoes carrying malaria, provides market slatts for the sale of fruits, vegetables, meat and fish and set up playgrounds for children. The Ministry's other activities include the repairing and enclosing of cemeteries, building of public toilets, construction of parking lots, and planting of shrubs and trees along the roads.

Among the latest achievements of the Ministry of Regional Municipalities are: construction of a 25 shop market in Masirah Island and a 65 shop market at Rustaq, fencing of cemeteries at Wadi Tayin, Dima, Bani Bu 'Ali, Ja'lan, Nizwa and Sur and the building of public facilities at Bidbid, Nakhl and al-'Awabi.

An important point on which the Ministry has been placing enormous emphasis is the training of staff. It has already conducted dozens of courses in the spheres of vocational training, health accounting, falaj inspection and administrative and technical work.

Shops and markets are regularly inspected by the environmental health sectors of the Ministry to maintain high standards of foodstuff and observe complete cleanliness.

Paper on Water Resources Reviewed

44000358a Muscat *TIMES OF OMAN* in English
16 Feb 89 p 4

[Excerpts] The cost recovery and containment in community water supply in the Eastern Mediterranean countries, including Oman, was being reviewed at a three-day WHO [World Health Organization] workshop which opened on Sunday in Rabat, Morocco.

Mustafa Ibn-Mukhtar Ibn-'Ali al-Lawati, Deputy Director General of Water Supply, Ministry of Electricity and Water, is representing the Sultanate at the workshop on "Supply of Drinking Water, Cost and Cost Recovery" which ends today.

Before leaving for Rabat, Mr Mustafa Ibn-Mukhtar al-Lawati, told the *TIMES* that the purpose of the workshop was to identify operational and financial constraints and analyze the corresponding shortcomings to costing, pricing and collection practices.

It would, he said, outline operational, managerial, financial and legal improvements required to facilitate cost recovery, with special reference to operation and maintenance and to recommend measures to be taken by external agencies in support of cost recovery.

The Deputy Director General is presenting a paper at the workshop outlining the supply system of drinking water in Oman and the cost thereof.

Following are excerpts from the paper presented by Mustafa Ibn-Mukhtar:

In Oman there are no surface rivers or fresh water lakes ready for use. There are little surface water flows in the upper reaches of Wadis in the mountainous regions in the north of Oman. However, during rain storms, the wadis flows are characterized by high velocities and sharp flood peaks.

A small portion of these flows recharge the aquifers of the wadi beds and flood plains, but most of the flow pours into the sea. This led to the initiation of recharge dams like al-Khawd Recharge Dam which was constructed in 1985 and several others getting finished in the near future.

Ground water remains always the main natural resource of water in Oman. The Omani people, since times immemorial, have cleverly tapped the underground aquifers through their unique system of afalaj which are underground channels built right from the bottom of the mother wells, which sometimes reach to more than 60 meters in depth, flow on to the fields and plantations on the surface by means of gravity to procure their water requirements for irrigation and consumption.

Rock Formations

Till toady, our old system of afalaj is estimated to provide 916.1 millions cubic meters per year, which is equal to 72.7 per cent of the total yearly use of water in Oman (1,260.1 million cubic meters), apart from the resource of water from private wells of the citizens.

In Oman, ground water is mainly extracted from alluvial deposits in the wadis, terraces, alluvial fans and plains.

It is also extracted from fractured rock formations like limestones and dolomites. But it is a fact that many places in the interior and the coastal regions are deprived of fresh drinking water and we have to revert to, our historical sources of livelihood, the ocean for desalination.

Historical Review

The first proper water supply scheme in Oman started in 1970 to feed the old towns of Muscat and Matrah. Before that, water was pumped from three wells located in Wadi al-Khawd, 35 kms to the west of Muscat, through centrally located stand-pipes known as selling stations. House service connections were restricted to very few Government offices and mosques only.

After 1970, the demand for drinking water escalated and the existing facilities were further developed and increased.

The Ministry of Electricity and Water was formed by a Royal Decree in 1978. Its responsibility for the supply of water covers Muscat and all other towns and rural areas in the north of the country with the exception of Dhofar province and Suhar town which are under separate authorities of Government in order to speed up the development more easily.

Piped water supply and a house connection system are in the following towns: Muscat, al-Sib, Nizwa, al-Buraymi, Khasab (Musandam) and Sur.

In the interior, water supply system is free through tankers, tanker points, tap and through marine vessels; as is the case in the coastal villages of Musandam.

A combined power generating station and desalination plant (MSF) was constructed. The first unit was commissioned in 1976. Second unit was added in 1982. Third and fourth units were added in April 1986. The combined production of distilled water is between 20 to 22 million imperial gallons/day. The second source of water is from wellfields.

There are two major wellfields (Eastern and Western), with 70 production bore wells. Combine production of water from these wellfields is between 10 to 20 million imperial gallons/day.

The third source of water is from Oman Refinery Company. Altogether we can produce potable water between 30 to 32 million imperial gallons/day. Average consumption at present is between 25 to 28 million imperial gallons/day. There are eleven resources which can hold about 35 million imperial gallons of water.

Cost recovery factor is the most complicated structure. The ground water source is limited. Therefore, by increasing wellfield production, the quality of water may deteriorate. A proper blending system with the bore well water is to be arranged. It will help to a certain extent, in lowering the production cost. In the developing countries full cost recovery is particularly difficult. Once the country is developed, it can be compensated by increasing the consumption charges.

At present, the water is sold for industrial, commercial and other bulk usages. This is implemented only in areas where individual house connections or consumption facilities are available, e.g., Muscat area, Nizwa, al-Buraymi, Musandam and Sur, excluding Salalah and Suhar where such facilities are available but controlled by other authorities in the Government. Water collected from stand pipes is free through out the Sultanate. In many rural area, water is supplied by the Government through bowsers—Governmental or tendered by the Government—to citizens common tanks.

In some remote desert areas, it is supplied in private tanks in the dwellings. Apart from that, there are thousands of private wells scattered all over the Sultanate, not covered by the aforesaid lines, which in fact, form a remarkable source of water for people also.

Plans To Better Utilize Tuna Resources Discussed

44000386e Muscat *TIMES OF OMAN* in English
9 Feb 89 p 3

[Article by Meena Ganjvr]

[Text] Oman is extending efforts to utilize its marine resources and plans to have vessels and specialized cadres to make better use of its ocean wealth, according to the Director General of Fisheries, Shaykh Abdallah 'Ali Bakathir.

He was speaking at the opening of the three-day "Workshop of Tuna and Seer fishes in the Northern Arabian Sea region", at Ruwi Novotel on Tuesday.

The Director-General said: "The Sultanate of Oman is extending great efforts to benefit from its marine resources and in the future to enable us to benefit from the tuna species passing our territory waters and exclusive economic zone in their migratory route."

Emphasizing the need for joint efforts to control, manage and develop this species he said, "tuna species being highly migratory species cannot be studied by each

country individually, this calls for joint efforts...which will guide us all to reach realistic statistics on the catch landings of such important species.

"Scientific works and efforts carried out by each of our countries is indeed extremely added knowledge and no doubt need to be linked and discussed."

Dr T. Sakurai, Director of the Colombo-based, Indo-Pacific Tuna Development and Management programme of the FAO, said it was the first time such a meeting was held in the region.

He said tuna and seerfish fisheries in the region was becoming increasingly important, especially seerfish fisheries. "The seerfish in the region at present is at the nearly half of the total production in whole of Indian Ocean".

In order to promote these fisheries, he pointed out, it was important to know the potentiality of those resources in the region. "However, available information is still very little. Through this workshop we would exchange our knowledge and information with each other so that our understanding could deepen considerably," the Director said.

Later talking to the "Times", Dr Sakurai said that demand for tuna and tuna-like species had grown over the past decade and was expected to increase further with growing population in the country. "However, because of their migratory nature, these resources needed to be closely monitored on a global basis to prevent over-exploitation.

The catch of tuna and tuna-like species in the world had increased by 30 percent from 2,638,000 metric tonnes in 1980 to 3,418,000 metric tonnes in 1986.

Of the total 547,000 metric tonnes was from the Indian Ocean, 546,000 metric tonnes from Atlantic Ocean and 2,324,000 metric tonnes from the Pacific.

Some of the major tuna fishing countries in the Indian Ocean, he said, were France, India, Spain, Taiwan, Oman, Maldives, Indonesia, Japan, Korea and Sri Lanka.

Marine Survey by PDO Launched
44000386b Muscat *TIMES OF OMAN* in English
2 Mar 89 p 8

[Text] A second marine seismic survey has been launched off the South Oman coast by Petroleum Oman.

A 650-tonne vessel, the "Western Ocean," started work in February on a contract to shoot 2,200 kilometers of seismic line in Sawqirah Bay, Masirah Bay and Salalah Bay.

The survey, which is expected to last six weeks depending on weather conditions, is a follow-up to the company's first offshore survey made early last year in the same areas.

Richard Birtles, PDO [expansion unknown] seismic interpreter, said: "We have processed and interpreted 3,800 kilometers of data from the first survey and the new lines will enable a more detailed interpretation of the most promising areas."

The contract, worth OR 692,000, has been won by Western Geophysical.

The 60-meter long vessel was working north of Oman off Fujayrah in the United Arab Emirates for BHP [expansion unknown] before taking on the PDO contract.

It has a string of airguns which are towed behind the vessel to produce a sound which is reflected off the sub-sea strata and recorded by a 3,000 meter long streamer consisting of 120 groups of hydrophones.

The new data will be processed by computers at Mina' al-Fahal and interpreted before a decision is made on any future offshore exploration plans.

PDO has three concession areas off South Oman totaling 25,000 square kilometers. PDO's first major offshore acreage, they were acquired in October 1987 when an agreement was signed by Sa'id Ibn Ahmad al-Shanfari, the Minister of Petroleum and Minerals, and Mike Pink PDO managing director.

QATAR

Rise in Shipping Movements Recorded
44000387b Doha *GULF TIMES* in English
24 Jan 89 p 1

[Article by T. M. Anantharaman]

[Text] Shipping activity in Qatar witnessed increased movements during 1988 and the trend is expected to be maintained during the current year, according to a senior shipping executive in Doha.

Qatar National Navigation & Transport Co general manager 'Abd-al-'Aziz Husayn Sallat says cargo imports in Qatar, excluding bulk imports of iron-ore and pellets, increased by 36 percent over 1987 figures. The number of ships calling at Qatari ports rose by 5 percent over the previous year.

Speaking to Daily Gulf Times Mr Sallat said: "The shipping scene has seen some improvement in recent times, especially after we had discussions with the Port Department and reduced basic tariffs."

"Cheaper port handling charges have improved shipping activity. We have better cooperation and coordination with the Port Department now and are regularly monitoring actual performance. All this has had a positive effect in improving conditions and we expect 1989 to be even better, mainly because more imports will be coming for the North Field gas project."

Navigation's general manager added that the container cargo service by sea between Dubayy and Doha had improved to between 50 percent and 60 percent in 1988 as compared with 95 percent carried by road transport in earlier years.

"This does not mean that we are ignoring our international land transport division. We are carrying a lot of cargo through this division too. In fact we have increased our fleet strength by 25 percent", he said.

Navigation has during the last three months, he said, placed orders QR5mn for 25 new trucks from Japan and bought 10 second-hand trailers locally. "Some of these new trucks have arrived and the rest will be coming within the next two or three months," he said.

Mr Sallat disclosed that Navigation recently won a North Field gas project contract to transport 226,000 tonnes of pipes to be laid from offshore oil-gas fields to the land area in the north, up to Ra's Laffan.

First shipment of 70,000 tonnes of the \$25mn contract, he said, is expected to arrive in Qatar through chartered vessels on February 5 and the second shipment of about the same quantity three days later.

Meanwhile Navigation is engaged in several studies designed to improve overall performance of the company. It also plans to dispose of old ineffective assets.

North Field Gas Project Progress Cited 44000387a Doha GULF TIMES in English 23 Jan 89 p 12

[Text] Qatar's massive North Field gas project is bang on target with commercial production expected from 1991, Dr Jaber al-Murri, managing director of Qatar General Petroleum Corporation confirmed yesterday.

Dr al-Murri said the 41-month first stage, begun on July 1, 1987, will end on November 30 next year, and commercial production will then follow.

The 6,000 sq km Field is still the world's largest single non-associated gas deposit and, said Dr al-Murri, it places Qatar fourth among countries with the world's biggest total gas reserves: behind Russia, Iran and the United States in that order.

Addressing a meeting of Doha Sheraton Businessmen's Luncheon Club, Dr al-Murri said that North Field gas will go into production as oilfield associated gas declines and the Khuff field operating at Dukhan since 1978 ceases.

Presently 45 percent of gas already produced is fed to industry, while 55 percent goes to the supplying of power and water. This gas is 32 percent associated (by-produced from oil, which it has been since 1963) and 68 percent non associated (a supply available since 1978).

The industrial base envisaged for stage one of the new project comprises lean gas for ammonia, urea, methanol and aluminum; ethane and propane for ethylene development; and naphtha for gasoline and kerosene.

Future stages will be concerned with liquefied natural gas [LNG] for export to Japan and Europe, and pipelines for industrial and regional export purposes.

Qatar Gas is seeking markets now for a projected 6mn tonnes of LNG yearly. Whereas oil was easy to export materially gas exporting is more difficult and to justify the investment markets guaranteed for 20-25 years are needed. Piping to neighboring countries, however, is easy by comparison.

SAUDI ARABIA

Projections for Industrial Production Described 44000369 Jeddah ARAB NEWS in English 8 Feb 89 p 2

[Text] Riyadh, 7 February (SPA)—Saudi Arabia's six-point new industrial growth strategy will help increase the contribution of the industrial sector to the gross national product to SR25.76 billion by 1410H (1990), the last year of the ongoing fourth Five-Year Development Plan, which generally aims at an annual average growth of 15.5 percent.

The Saudi Press Agency has learned that the basic industries are expected to contribute to such a growth at the rate of about 20 percent.

With respect to the labor force, the intended annual growth in the industrial sector will be around 5.2 percent, where the work force will become almost 538,000 strong.

The annual growth of productivity is expected to increase to 5 percent.

The following six points define the sources of the industrial growth and provide ample opportunities for the development of the private sector:

1. The success of the Saudi Basic Industries Corporation (SABIC) in completing programs pertinent to basic industries will provide local industries with raw materials and increase industrial exports;

2. Carrying out the second generation of industrial projects of the basic chemical and mineral industries and most particularly, the projects of support industries;

3. Expanding continuously in the export of industrial products not based on hydrocarbons;

4. Increasing the quota of material industry in the local market;

5. Establishment of new industries in cooperation with the Gulf Cooperation Council states; and

6. Strengthening relations among different sectors to avail themselves of the industrial opportunities provided by the available mineral, agricultural and modern technology resources. While the private sector develops the available industrial potentials, the government will organize the programs set forth in the fourth plan to back up the initiatives made by the private sector.

The fourth plan has set forth a series of programs aiming overcoming whatever constraints face its implementation.

The increase in the volume of industrial exports is one of the important achievements of the third Development Plan. This increase in exports was realized through SABIC companies.

In addition to industrial products from the private sector, these exports include plastic pipes, building materials and air-conditioning units in addition to cement, soybean oil, detergent powders and dairy products.

Saudi Arabia's industrial structure is based on two pillars, namely the basic industries sector and the conversion industry sector.

Commenting on the Kingdom's industrial growth, Industry and electricity Minister 'Abd-al-'Aziz al-Zamil said that the Saudi government has spared no effort in assisting and encouraging the industrial sector, adding that it has given many incentives to encourage investment in this sector through both national and joint capital financing.

"This policy has yielded fruit, with the completion of great projects of the most modern industrial estates at international standards, and in the introduction of the petrochemical and fertilizer industries," he added.

"The private sector has contributed to this achievement through the encouragement and help of the government," al-Zamil said.

Mubatak 'Abdallah al-Khafrah, deputy minister for industrial affairs, said the Kingdom's development plans are a starting point toward overall advancement and progress, adding that these plans have realized results in many fields, with the grace of Allah and the wise policy of the Saudi government."

"One of the achievements of this policy is the great industrial landmarks which any government would be proud of. Another result is the number of ambitious electrification projects which form the cornerstone for extending electricity to each and every village," he said.

"We are confident that the projects of industry and electricity will make a great contribution to the overall development and systematic growth of the country throughout its regions. In addition to the direct effects toward the well-being of the citizens, these projects will be a vital channel in linking towns and villages with one network of industrialization and electrification," al-Khafrah added.

French Awarded Power Supply Contracts
44000381 Jeddah ARAB NEWS in English
16 Feb 89 p 3

[Article by Javid Hasan]

[Text] Riyadh, 15 February—Two French companies have won major contracts in the field of power supply to SCECO (Center) and the Saline Water conversion Corporation (SWCC), their spokesman announced at the Saudi Elenex '89, the second electrical and electronic engineering show that concludes at the Riyadh Exhibition Center tomorrow.

In the first contract, Merlin Gerin, described as a world leader in electrical and electronic circuit control and protection, landed an SR45 million contract from SCECO (Center) for setting up a 132/33 KV substation in Riyadh. Under the contract, routed through al-Haydar Est., Merlin Gerin will source some of the material like low voltage relay control panels from Electrical Power Distribution Boards and Switchgear Ltd. (EPS Ltd.), the French firm's joint venture with Muhammad al-Midan Est., and Ali Reza and 'Abd-al-'Aziz Zaydan. The duration of the contract is one year.

In the other deal, Ceres SA has won a subcontract from Capital Lights for the supply of 23 sets of power generation sets to SWCC. The equipment, manufactured by Ceres at its own facility in France, will be supplied under a phased program, beginning with eight sets in the first phase. The company has provided nearly 200 power generators to its clients, including the King Fahd International Airport (al-Damman), the GCC [Gulf Cooperation Council] headquarters, the Ministry of Finance and the Police forensic Lab in Riyadh, among others.

Other French firms also reported an encouraging market response to their products. Butrus Sayigh of Telemecanique said his firm, a manufacturer of automation control products, has carved out a 40 percent share of the Saudi market in the industrial automation control business. Legrand, one of the world's biggest manufacturers to wiring accessories, switchers and sockets for domestic and industrial appliances, has reported a thriving market for CCTV door entry systems which enable the inmates of a house or villa to see the visitor's image that appears on the closed circuit TV for 90 seconds. Leroy Somer and CDME were two other French firms which viewed the Kingdom's market with optimism for their products—electric motors, gear boxes, alternators, DC motors, frequency changers and all kinds of electrical accessories.

Among the Saudi companies, Alfanar featured its comprehensive range of low voltage switchgear, circuit breakers and electrical wiring accessories—from plugs to industrial distribution boards and power factor correction capacitors. ASEA Brown Boveri (ABB), which owns the Arabian Electrical Industries Ltd. (AEIL), had on display a wide range of products manufactured by AEIL, such as low voltage and medium voltage switchgear, relay protection and control systems, compact secondary substation produced on integrated computer systems (CAD/CAM).

Middle East Circuit Breaker Co., a licensee of Westinghouse, had a product range that included 10-100 AMB miniature circuit breakers and varieties of molded case and other accessories. Wescosa, another 100 percent Saudi-owned company using Westinghouse technology, demonstrated its full range of products—panel boards, switchboards and transformers.

Megger Instruments of Britain had on display in the British pavilion its BM200 series—billed as the world's first combined analogue-digital testers. The launch was in response to the demand of electrical contractors for a display facility that combines the immediacy of analogue indication with the accuracy of digital instruments, according to a press release issued by the firm.

New Refinery in Rabigh To Boost Oil Production Capacity

44000376 Muscat *TIMES OF OMAN* in English
2 Mar 89 p 17

[Text] A new Saudi Arabian oil refinery will soon start operating on the kingdom's west coast at Rabigh after a delay of several years, Gulf oil industry sources reported recently.

They also said Iraq's oil terminal at the end of its second pipeline through Saudi Arabia (IPSA 2) to a new terminal at Yanbu on the west coast was completed. It will eventually boost Baghdad's export capacity by nearly 50 percent.

"Rabigh refinery will be commissioned sometime next month but it will leave the Saudis with a huge amount of heavy fuel oil to get rid of," one source said.

On the Red Sea coast north of Jeddah, Rabigh is a 50-50 joint venture between Saudi Arabia and the Great oil company Petrola.

SUDAN

Armed Forces Reportedly Raid Ansar Strongholds

45000129 London *AL-HAWADITH* in Arabic
24 Mar 89 p 11

[Excerpt] [Passage omitted] Khartoum is talking about sudden raids the armed forces have been making in certain areas of the capital that have historically been strongholds of the Ansar group, which is affiliated with the Ummah Party led by Prime Minister al-Sadiq al-Mahdi. Military sources said that the reason behind the raids is information it received regarding the presence of weapons in houses in the Omdurman area of the twin capital city.

UNITED ARAB EMIRATES

Jabal 'Ali Free Zone Development Described

44000382 Dubayy *GULF NEWS* in English
15 Feb 89 p 4, 5

[Article by Latif Faruq.]

[Text] An average of six to seven companies are opened monthly at the Jabal 'Ali Free Zone and if the trend continues there would be about 275 units by the end of the year. The Free Zone Authority is now in a position to look forward to the future.

The Free Zone in Jabal 'Ali is the only one of its kind in the Gulf region and the entire Middle East. Its nearest competitor is the free zone in Turkey followed by, to some extent, the one in Sri Lanka. This was disclosed by Sultan Ahmad Ibn-Sulayim Chairman of Jabal 'Ali Free Zone Authority.

Although inaugurated in February 1985, the free zone became a source of attraction within months and today there are more than 200 companies with a total investment of around \$600 million. This year an estimated sum of \$200 million is to be invested on a number of major projects and thus the total investment is expected to reach \$800 million by the year-end. According to Ibn-Sulayim, the 200 companies which are already in operation occupy only 4 percent of the 100 sq. kilometre area allocated for the free zone and thus there is plenty of space and capacity to accommodate a large number of various manufacturing, trading and other units.

Under the existing situation, pointed out Ibn-Sulayim, not only the pace of companies coming to the free zone record an upward trend marking continuous growth but

the free zone authority is now in a position to look forward to the future with greater confidence. An average of 6 to 7 companies are opened monthly and if trend continues there would be about 275 units by the end of this year.

A number of major projects, some from India, are to be completed this year and one such was the Sony distribution centre for the Middle East and Europe commissioned last month. Many leading Japanese firms are now considering starting similar manufacturing and distribution centres in the Jabal 'Ali free zone and the free zone authority is following up all these inquiries very carefully.

In an effort to continue these discussions and to meet officials of other top Japanese companies a high-level delegation led by Sultan Ibn- sulayim himself is due to visit Japan by the end of this month.

The five-member Jabal 'Ali Free Zone Authority team will meet representatives of both manufacturing and trading companies there. Following the continuous appreciation of Japanese currency yen against the dollar and the liberalisation of imports by the Japanese government, many leading Japanese manufacturing and even trading companies began to shift their operations to South East Asian countries. Already these companies have established their units in Indonesia, Malaysia and Thailand.

But the operations there were not so smooth as they face number of difficulties and this situation forced them to turn their attention to other conductive areas and thus Jabal 'Ali Free Zone is attracting their attention.

Explaining the growth trend, he said there is no long-term plan as such. Measures are taken from time to suit the demand of the hour. For example, with the ceasefire in the Iraq-Iran war, the number of companies showing serious interest recorded a considerable increase. He pointed out that the time is certainly in favour of the free zone with the improved money supply and investment returning against the back-drop of greater political stability in the Gulf region.

On top of all the Jabal 'Ali Port, the world's largest man-made port, is very well equipped to facilitate the growth of free zone there.

The free zone authority has been undertaking systematically organised promotional drive mainly aimed at Japan, West Germany and United States and as part of this programme the free zone authority is sending its own team to West Germany to participate in the Hanover fair next April. The authority, said Ibn-Sulayim, has

been participating in the Hanover fair for the past three years. Of the companies so far operating in the free zone, 25 percent from India, 25 percent from the Gulf Cooperation Council countries and the remaining 50 percent from other countries. There is a total work-force of 8,000 from India, Sri Lanka and Philippines employed by these 200 companies.

The free zone authority, a government body established to supervise the free zone, issues administrative rules and licences to companies planning to operate there in addition to providing technical, professional and administrative staff for their operations.

Concessions offered for companies by the free zone authority are much more than the facility made available in Dubai. Some of the incentives provided by the free zone include 100 percent foreign ownership, no recruitment problems, 100 percent repatriation of capital and profits, no currency restrictions, no corporate taxes for 15 years, no personal income taxes, a market of one billion people in the Gulf and other countries, excellent supporting services, modern efficient communications, attractive working environment and cheap energy.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

Ministry Plan Predicts Increase in Exports
44000375 Aden 14 UKTUBAR in Arabic 23 Jan 89 p 2

[Article by Widad Shubayli]

[Text] The Ministry of Trade and Finance's plan for exports and re-exports for the year 1989 is expected to rise to a value of 25.5 million dinars.

That was announced by Hasan al-Hubayshi, deputy minister of industry, trade and finance in an exclusive interview with the newspaper.

He asserted that this plan came initially in the form of ruling No 169 of 1988 and is in compliance with the decisions of the Central Committee and the Council of Ministers.

He explained that the initial indicators for the value of exports and re-exports in the first half of 1988 amounted to approximately 11.6 million dinars. Also, the rate of accomplishment reached 53 percent, the value of which is expected to amount to more than the 21.8 million dinars estimated in the plan, in comparison to the value of exports and re-exports for 1987 which amounted to 24.3 million dinars.

INDIA

CPI-M Politburo Ridicules Congress-I Statement 46001338 Calcutta THE TELEGRAPH in English 10 Feb 89 p 1

[Text] New Delhi, Feb. 9. The CPI(M) [Communist Party of India, Marxist] today strongly ridiculed the Congress(I) general secretary, Mr K. N. Singh's recent statement bemoaning the communists' decision to back the National Front instead of joining hands with the ruling party in the fight against communalism.

In a statement, the CPI(M) politburo said Mr Singh's comments clearly showed that the "Congress(I) is deeply afraid of the growing understanding between the left, democratic and secular forces. It is also not accidental that such a reaction has come from the Congress(I) and the BJP [Bharatiya Janata Party]." It also asserted that the ruling party's policies were far from secular.

On Mr Singh's advice to the CPI(M) to follow the dictates of Lenin, the politburo noted, "it is not worth arguing that K. N. Singh on the basis of Leninism, since it is evident that no follower of Lenin would accept the leadership of Rajiv Gandhi and his government."

Elaborating on this, the CPI(M) said it was "a government which serves the interests of monopolists, protects the landed interests, invites multi-nationals, attacks democratic rights and compromises with the communal forces. That must be the reason why K. N. Singh has not talked about Congress(I) policies which are ruining the masses."

'Cong not secular': The thrust of the CPI(M) politburo's attack was on Mr K. N. Singh's contention that the Congress(I) was a secular force and, therefore, ought to be taken as an ally by the left. The CPI(M) leadership noted that, "it is the Congress(I) which is responsible for the erosion of secular values and which has compromised with all sorts of communal forces to keep itself in power."

Outlining a list of the ruling party's compromises on this score, the statement said, "Has it not aligned with all caste and communal forces in Kerala against the left and democratic front? Did it not ally with the Muslim League in the recent elections in Tamil Nadu? Did it not woo the church in the recent elections in Mizoram and did it not organise the caste gatherings in Uttar Pradesh and Haryana recently?"

Regarding Mr Singh's comment that the EMS [expansion unknown] line was defeated by the Bengal line, the politburo noted that his interpretation "does little credit to his intelligence." Pointing out that the left parties had given a slogan for the removal of Rajiv Gandhi at the

December 9, 1987 rally, the CPI(M) said the removal of the Congress(I) and a fight against communal forces were part of the party's programme which was endorsed at the Trivandrum congress.

Clearing the confusion wrought by the formation of the National Campaign Committee (NCC), the statement said, "The formation of the NCC is to supplement these forces (left, democratic and secular), to rally the people and to radicalise public opinion so that the campaign against communalism and separatism, in defence of national independence and for burning issues are highlighted."

It added that there was no contradiction in the stand taken at the Trivandrum congress, and the formation of the NCC and later the Politburo statement, following the last politburo meeting early this month. "Mr Singh must understand that with the record of the Congress(I), no one can save it from collapse," the CPI(M) added.

IRAN

Non-Oil Exports Net \$663 Million 46400067b Tehran ETTELA'AT in Persian 16 Feb 89 p 4

[Text] Economic service. About 857,000 tons of non-oil exports in the first 9 months of 1367 [21 March-21 December 1988] netted 45,113,000,000 rials (equivalent to \$663 million).

According to a report by the public relations office of the customs of the Islamic Republic of Iran, this year goods such as handwoven wool carpets, shelled and unshelled pistachio nuts, different kinds of hides, copper ingots and (andukated) copper, caviar and various kinds of intestines were, in that order, the most significant exports. Together they made up about 73.16 percent of the total value of exported goods in the first 9 months of this year.

Also, dried and fresh fruits and fresh vegetables; marine products such as fresh, frozen and smoked fish, caviar, fresh and salted shrimp, minerals and sea salt; textile materials and various items made from them; stone and construction materials; minerals and ores; various kinds of gum; biscuits and candy; henna; gas burners; various kinds of heaters; and mosaics and mosaic chips are among the other Iranian exports.

According to the statistics of the customs of the Islamic Republic of Iran, in the first 9 months of this year, about 5,400 tons of carpets were exported, at a value of 15,108,000,000 rials, which was 33.49 percent of the value of the exports during this period. Shelled and unshelled pistachio nuts, weighing 38,300 tons and valued at 9,149,000,000 rials, were the second major export item, which comprises 20.28 percent of the exports over the 9-month period.

According to this report, among the exported Iranian goods to have increased in weight and value over a similar period the previous year, man-made fiber textiles and ready-made clothing as well as fresh and salted shrimp, with increases of 374 and 327 percent, respectively, have shown the highest increases among other items.

The export of chromite and copper ingots and (andukated) copper have also increased in the first 6 months, by 239 and 125.7 percent in value and 141.5 and 17.24 percent in weight respectively, compared to a similar period last year.

It is worthy of note that the export of cotton fabrics, despite a 189-percent increase in weight, decreased by 41 percent in value compared to last year. According to these statistics, the export of stone and construction materials, despite a decrease of about 49.7 percent in weight, increased by about 28.7 percent in value in the first 9 months of 1366 [21 March 1987-21 December 1987].

As for minerals and ores, lead and zinc ore imports have decreased in weight and value compared to last year.

It is worthy of note that in the first 9 months of 1366 [March-December 1987], about 896,000 tons of goods at a value of 59,787,000,000 rials (equivalent to \$840 million) were exported to the world markets.

Use of Foreign Currency in Domestic Transactions Prohibited

46400066a Tehran ETTELA'AT in Persian
5 Feb 89 p 2

[Interview with Majid Qasemi, director general of the Central Bank, by reporters on 5 February 1989; place not specified]

[Text] Economic service. The director general of the Central Bank warned organizations that to use foreign instead of the national currency in their transactions is against the monetary and banking laws as well as not in the best economic interests of the country.

In a press conference this morning on the occasion of the celebration of the Fajr decade, Mr Majid Qasemi announced the above statement and, explaining the operation of the banking system of the country for reporters, said: The strengthening of the national currency, giving importance to production, investing in new projects and creating a market exchange for valuable papers are among the proposals of the Central Bank to build the economic system of the country.

Mr Qasemi said: The Central Bank is prepared to grant currency facilities for receiving currency to those production units with the highest increase in exchange value and which are able to export their goods.

In explanation, he referred to currency loans and the creation of currency commitments by the banks and pointed out: In this regard, commercial and customs facilities must be provided for these units to enable them to import what they need without cumbersome regulations and to benefit from such facilities in the area of exports.

In his interview today, the director general of the Central Bank emphasized investment in manpower and said: We have long-term investments in building up competent and specialized manpower, and in the short term as well we must make use of all our forces. We cannot ignore the trained specialists in this country who serve other countries in this area.

He also referred to self-sufficiency and self-reliance in the area of production and said: We must invest in areas that give the most return. In this regard, the general economic structure of the entire country must be revised.

In the area of allocating currency for production, he pointed out the four indices of increased value, production, inflation and the importance of goods and said: We must create industries that are useful domestically.

Mr Qasemi then spoke on the program for economic stability which, he says, is extremely important, indeed vital in terms of decreasing public demand, slowing down consumption, giving priority to making use of resources and preventing the injection of money into the society.

He said: In our opinion, part of the welfare resources of the society must be limited for a while in order to strengthen our economy. If we do not carry out such a plan, the future will prove to us that we have been in error.

Mr Qasemi also announced the minting of 3 coin slips with the numbers 16, 55 and 30 for obtaining the Bahar-e Azadi [Spring of Freedom] coin. He also informed the press of the minting of the new 50-rial coin, which will be distributed from Wednesday, 19 Bahman [8 February], in Tehran and 23 Bahman [12 February] in other cities.

Savings Deposited in Banks Said To Be Increasing

46400066b Tehran ETTELA'AT in Persian
6 Feb 89 p 4

[Interview with Majid Qasemi, director general of the Central Bank, by reporters; date and place not specified]

[Text] The director general of the Central Bank described the increase in the people's deposits in the banking system as unprecedented and pointed out that these deposits reached 11,387 billion rials at the end of Azar this year [21 December 1988].

Pointing out that the country is witnessing a reform in the cash flow structure, he considers this success an indication of the people's trust in the banking system.

Qasemi predicted that this year the growth of people's deposits in the country's banking system will reach 23 percent in comparison to last year's.

Qasemi also announced the relation of paper money and coin to the country's cash volume to be 21.2 percent at the end of Azar [21 December], and added that this relationship was 24.6 percent in 1365 [21 Mar 86-20 Mar 87] and 22.6 percent in 1366 [21 Mar 87-20 MR 88] which shows a steady decrease and is indicative of people's acceptance of the country's banking system.

Qasemi said: Also, the inventory of banks' paper money and coin on 1 Bahman [21 January] was twice the inventory of banks on a similar date last year.

The director general of the Central Bank mentioned the policy of expansion of the banking system, the establishment of monetary supervisors in the provincial capitals, the creation of banking document bartering chambers in the provincial capitals, the creation of bank branches with afternoon hours, the creation of all sorts of interest-free loan accounts, the use of larger denomination notes and attention to the personnel situation of banks as factors contributing to this success.

He said: In the future, new and varying deposit accounts will be created and the second phase of the comprehensive plan for the 'informatik' banking system is also being studied.

The director of the Central Bank also announced the remaining facilities granted by the banks to various sectors. According to him, these facilities decreased by 11 percent by the end of Aban [21 November] in the commercial sector and increased by 18.4 percent, 9.7 percent and 10 percent in the agricultural, industrial and mining, and construction and housing sectors respectively.

He then referred to the expansion issues and plans of the country. Pointing out that we must look to the future with a new vision, he considered a revision in past operations also necessary. In this connection, he said: Fortunately, the government has had a good report card in terms of economic operations during the eight years of the war.

The director general of the Central Bank then pointed out that in the future we must hold as the foremost progressive policy the strengthening of the national currency.

In this interview, the director general of the Central Bank referred to the importance of production. Pointing out that investments in machinery have been declining

over the past few years in proportion to the gross national product at the current price, he said that we must not allow this decrease to continue.

At the end of this interview, the director general of the Central Bank strongly denied the rumor that 17-carat gold is no longer accepted as the country's official gold and said: We hereby verify the validity of 17-carat gold and announce that a number of profiteers have spread this rumor to get the gold out of the people's hands.

Official Details Policy on Insurance Companies
46400066c Tehran ETTELA'AT in Persian
6 Feb 89 p 4

[Interview with Minister of Economic Affairs and Finance Mohammad Javad Iravani by reporters on 6 February 1989 in Tehran]

[Text] Tehran. IRNA. Mohammad Javad Iravani, the minister of economic affairs and finance, announced the future programs of the country's insurance industry this morning in a press conference. In this connection, he said: One of the goals of the government is to provide treatment services for all the people, particularly government employees. In this connection, the decision has been made that there should not be a monopoly on the implementation of treatment services. In this regard, insurance companies will also be able to carry out this important task during the next five years.

The minister of economic affairs and finance then said regarding the law for administering the affairs of insurance companies and the future programs of the insurance industry of the country: According to the new insurance law, unnecessary organizations will be eliminated and all insurance companies in the country will come under the management of the Ministry of Economic Affairs and Finance.

He also said: With sound competition in the area of offering insurance services, the insurance companies will take steps to offer commercial insurance services.

Iravani pointed out: The implementation of the new law will allow all the policy holders of the government and private sectors to go to any of the insurance companies, Iran, Asia or Alborz.

According to the minister of economic affairs and finance, by combining the Aria, Omid, Pars, Tehran, Tavana, Hafez, Sakhteman, Kar and Sharq insurance companies in the Dana insurance company, from now on this company will be active in the area of personal insurance.

He also said: The implementation of the new law will result in increased creativity in offering commercial insurance services and also raising the quality of services.

He added: According to the new law approved by the Council of Guardians, the situation of disbanded and inactive insurance companies has been clarified, and all insurance companies will be covered by common employment bylaws.

Iravani also said: The insurance companies can, according to the law, distribute a maximum of 5 percent of their previous year's profit among the employees who have been extraordinarily active that year.

He emphasized: This practice is expected to extend to all government establishments engaging in for-profit services in order to increase the competence of the employees and also offer better services.

The IRNA report indicates that Mr Iravani then participated in ceremonies held on the occasion of the ratification of the law for the administration of insurance companies. In his speech, he referred to the new conspiracies of the global oppressors to influence the affairs of countries and said: In the past 10 years, the strategy of interference in the affairs of other countries by the superpowers has changed. Instead of direct interference, they impose their power through economic means.

He pointed out: In this area, we must prepare to be alert and, by devising programs, to prevent their interference in the affairs of our country.

The minister of economic affairs then referred to the inauguration of the national projects and said that in the blessed Fajr decade, dozens of factories, including steel manufacturing, refineries and other factories, have been opened and this trend will continue. In his speech, he also spoke in detail on the law for the administration of the affairs of the insurance companies.

Construction Crusade's Activities, Projects Detailed

46400067a *Tehran ETTELA'AT* in Persian
13 Feb 89 p 4

[Text] Economic service. The Construction Crusade has put into operation 700 agricultural and developmental projects in the Fajr decade.

Mr Foruzesh, the minister of the Construction Crusade, announced these statements in a press conference. Explaining the activities and the five-year plan of this ministry, he said: In implementing the five-year plan of the Crusade, by the end of 1370 [March 1992], in addition to the increase in the level of operations and self-sufficiency per unit in the area of the production of corn and maze, bringing electricity to more than 80 percent of the rural population and the revitalization and reconstruction of pastures, the number of freely owned and rented ships will reach 200, and part of this fishing fleet will be given to the fishermen. The level of fishing

from the Persian Gulf, the Sea of Oman and the Caspian Sea will reach 400,000 tons. He also pointed out: The share of rural developmental funds since the revolution compared to before the revolution has reached from 9 percent to 20 percent. Also, since the revolution up to the end of 1366 [March 1988], 70 percent of the rural population has received electricity, which had been 12 percent before the revolution. Also, 67 percent of the rural population has received drinking water, whereas before the revolution, 33 percent of the rural population had drinking water.

According to the minister of the Construction Crusade, 42,000 km of rural roads were built after the revolution, of which 25,000 km were completed by the end of last year by the Construction Crusade. Before the revolution, only 8,000 km of rural roads had been built.

Mr Foruzesh said: For the first time, the Crusade has engaged in essential organization and rural animal husbandry. We hope to be able to decrease livestock waste by 30 percent.

Also, in order to replace foreign chickens with domestic chickens, centers for the identification and propagation of domestic chicken have been established in the Provinces of Kerman, Fars, Gilan and Western Azerbaijan.

In another part, he pointed out: During the past 5 years, the Crusade has succeeded in obtaining more than 6.7 billion cubic meters of water, of which 1.8 billion cubic meters are related to expansion activities and 4.9 billion cubic meters to improvements in obtaining water.

Stating that the level of fishing by the fisheries from the Persian Gulf, the Sea of Oman, the internal reservoirs and the Caspian Sea was 200,000 tons last year, the minister of the Construction Crusade said: Shrimping this year increased by 350 percent over last year, and the Crusade has for the first time engaged in increasing the amount of shrimp. In this connection, during the next six months, the center for promoting the development of shrimp will start operations in the Bandar-e Kolahi in Minab.

He also mentioned the total foreign currency revenues obtained from the export of shrimp and caviar this year to be \$60 million and said: The level of caviar exports this year increased by 100 percent compared to last year. Also, the export of shrimp last year increased 200 percent.

Mr Foruzesh continued to say that the banking funds and facilities over the past 2 years which have been used by the people for developmental programs amount to 60 billion rials. Pointing out the activities of the Crusade in creating shrimp farms, he also said: By 1371 [21 March 1992-20 March 1993], the storage capacity in the country will be double that of prior to the revolution.

In the same connection, he added: By building the silos of Rasht, Tabriz and Takestan, in less than 5 years the

wheat storage capacity has increased by 33 percent, and we hope the Shiraz silo, with a capacity of 120,000 tons, will be ready within the next 6 months. Also, the silos of Kerman, Hamadan and Gonbad, with a capacity of 80,000 to 120,000 tons each, are under construction.

In conclusion, the minister of the Construction Crusade, pointing out that 50,000 carpet looms are under the supervision of the carpet weavers union, said: If the 20 billion rials in banking funds are provided, the number of carpet looms under the supervision of this union can be increased to 100,000.

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